

Keeping Virginia Competitive



Presented to the
Governor's Commission on
Higher Education Reform, Innovation and Investment

July 12, 2010
Richmond, Virginia



NCHEMS

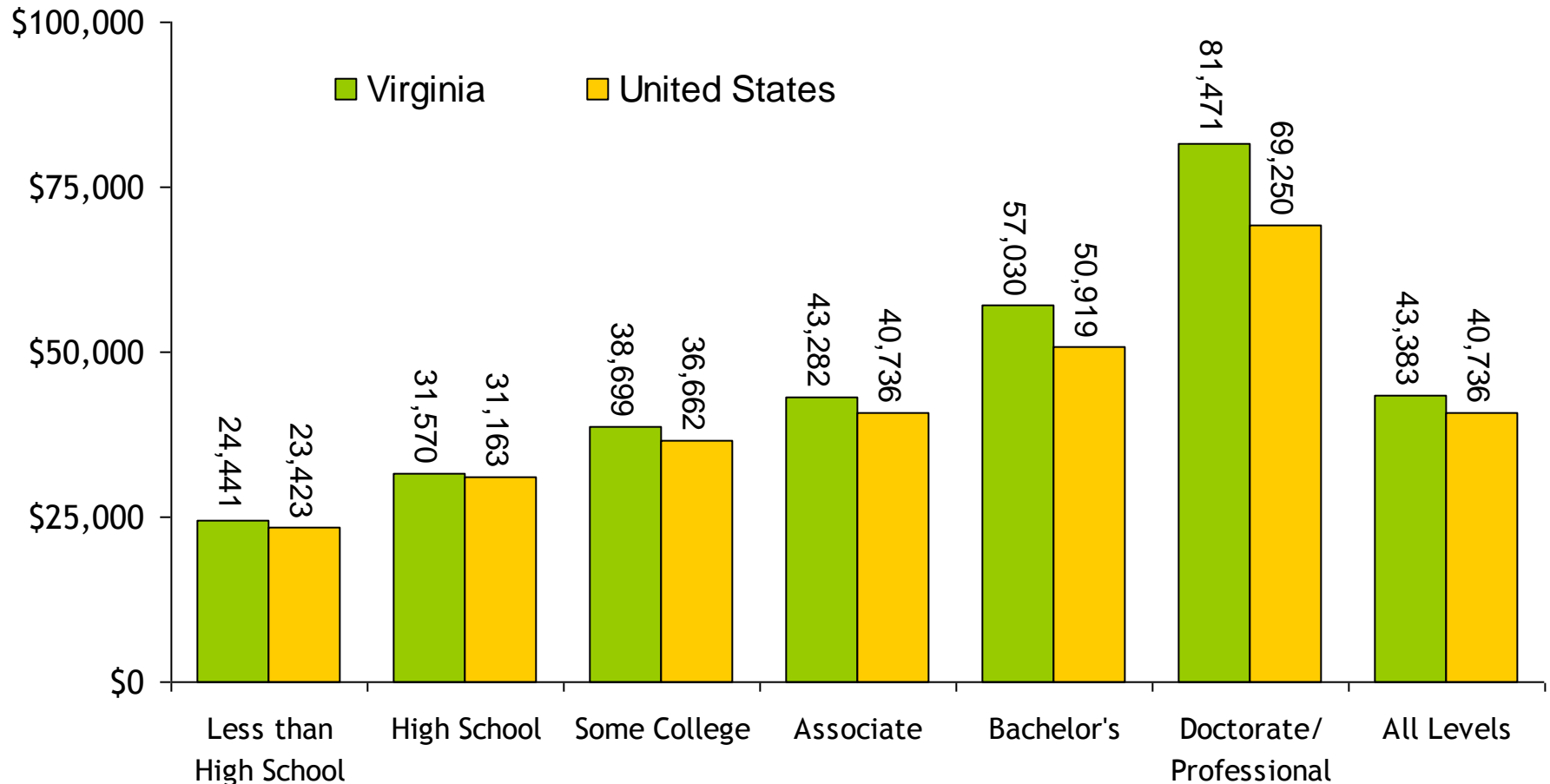
National Center for Higher Education Management Systems
3035 Center Green Drive, Suite 150
Boulder, Colorado 80301

WHY HIGHER EDUCATION MATTERS

Percent of Civilians Age 25-64 Not Participating in the Workforce—By Education Attainment, 2006

	<u>U.S.</u>	<u>Virginia</u>
Less than High School	39.2	38.5
High School Graduate	25.1	23.1
Some College, No Degree	20.9	20.0
Associate Degree	16.9	16.8
Bachelor's Degree	15.7	15.7
Graduate or Professional Degree	13.6	12.2

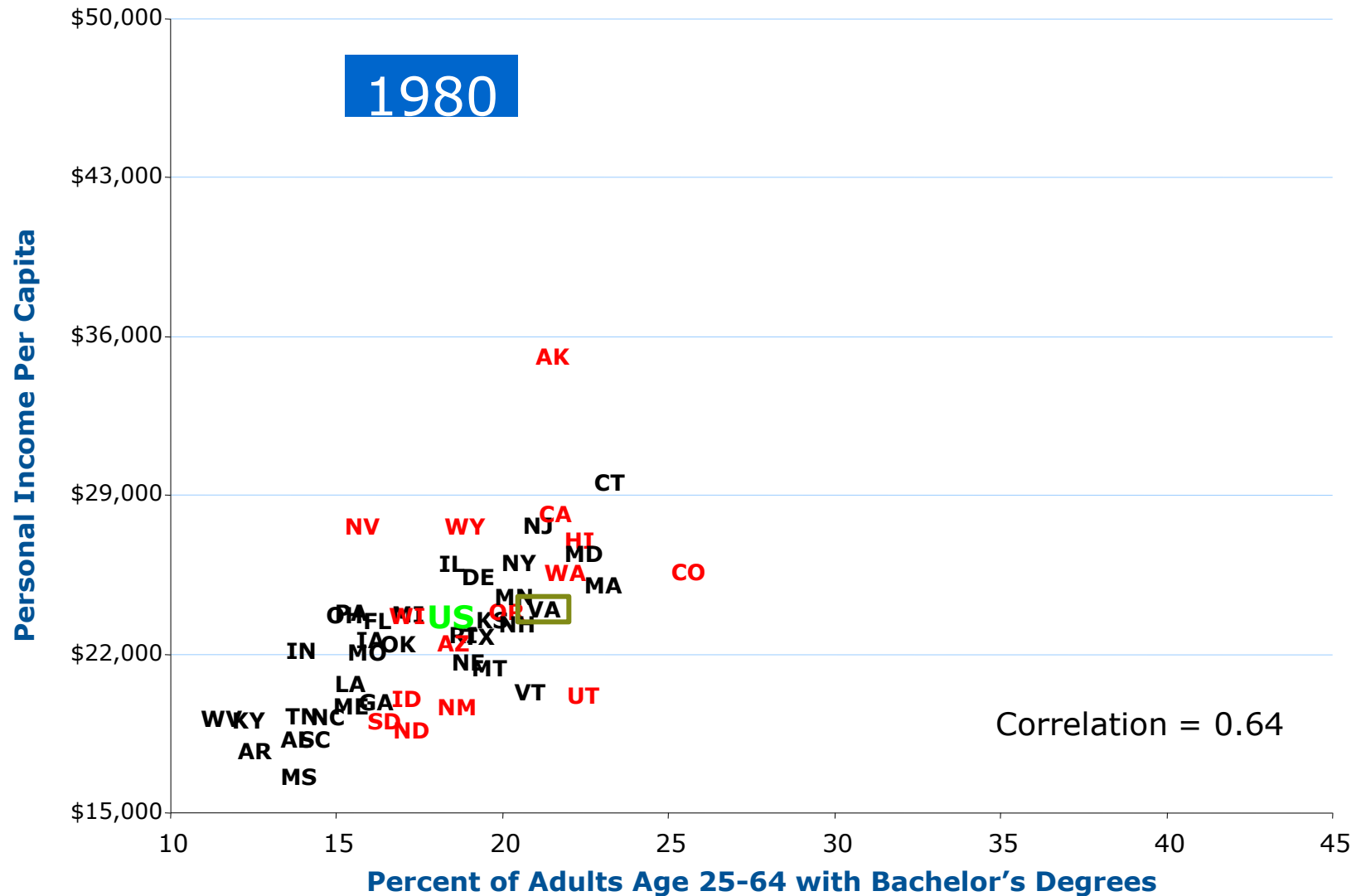
Median Earnings by Degree Level, 2008



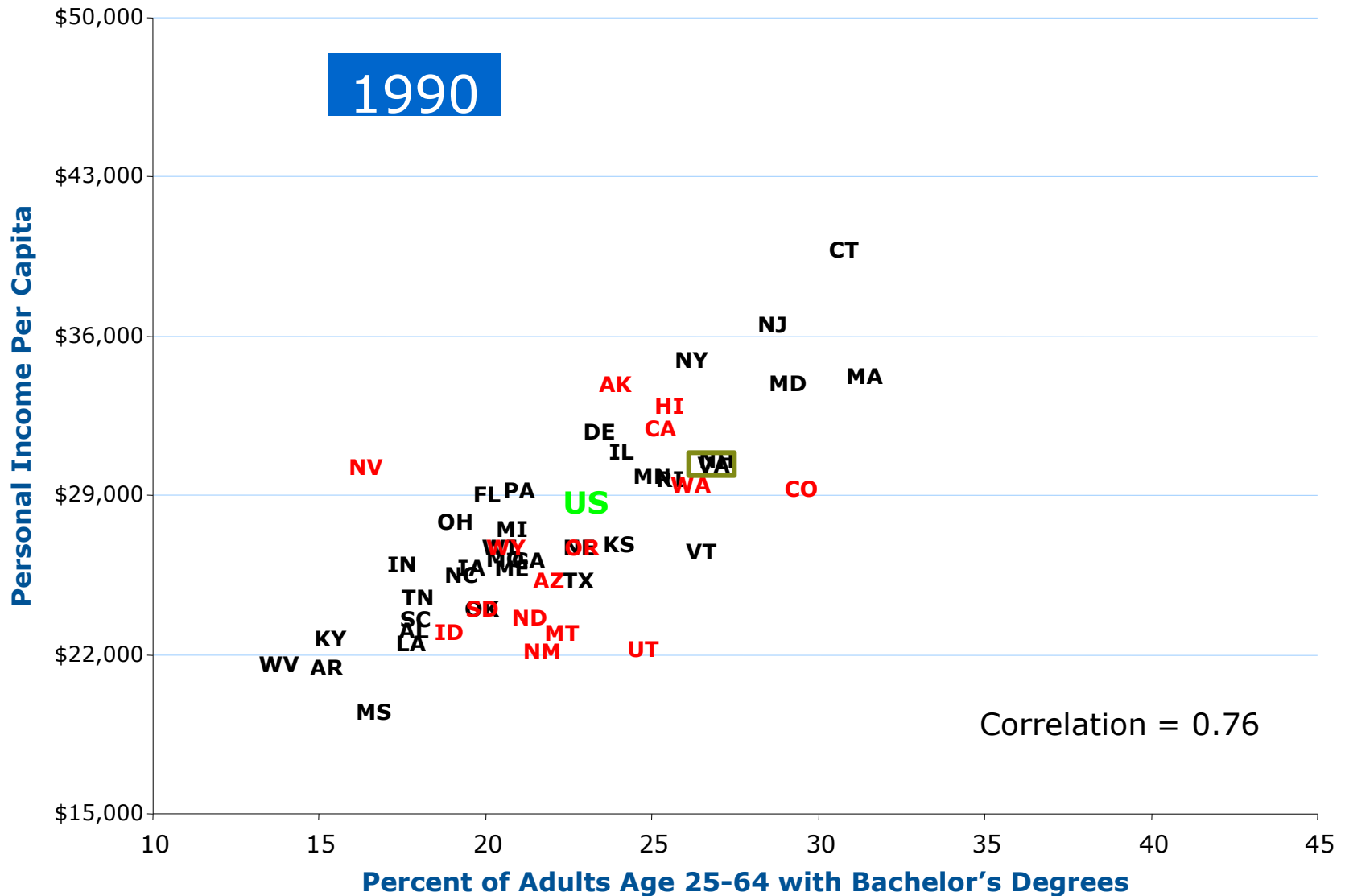
Source: U.S. Census Bureau, 2008 American Community Survey PUMS File.

Note: Figures for population age 25-64 with positive wages working 35+ hours per week.

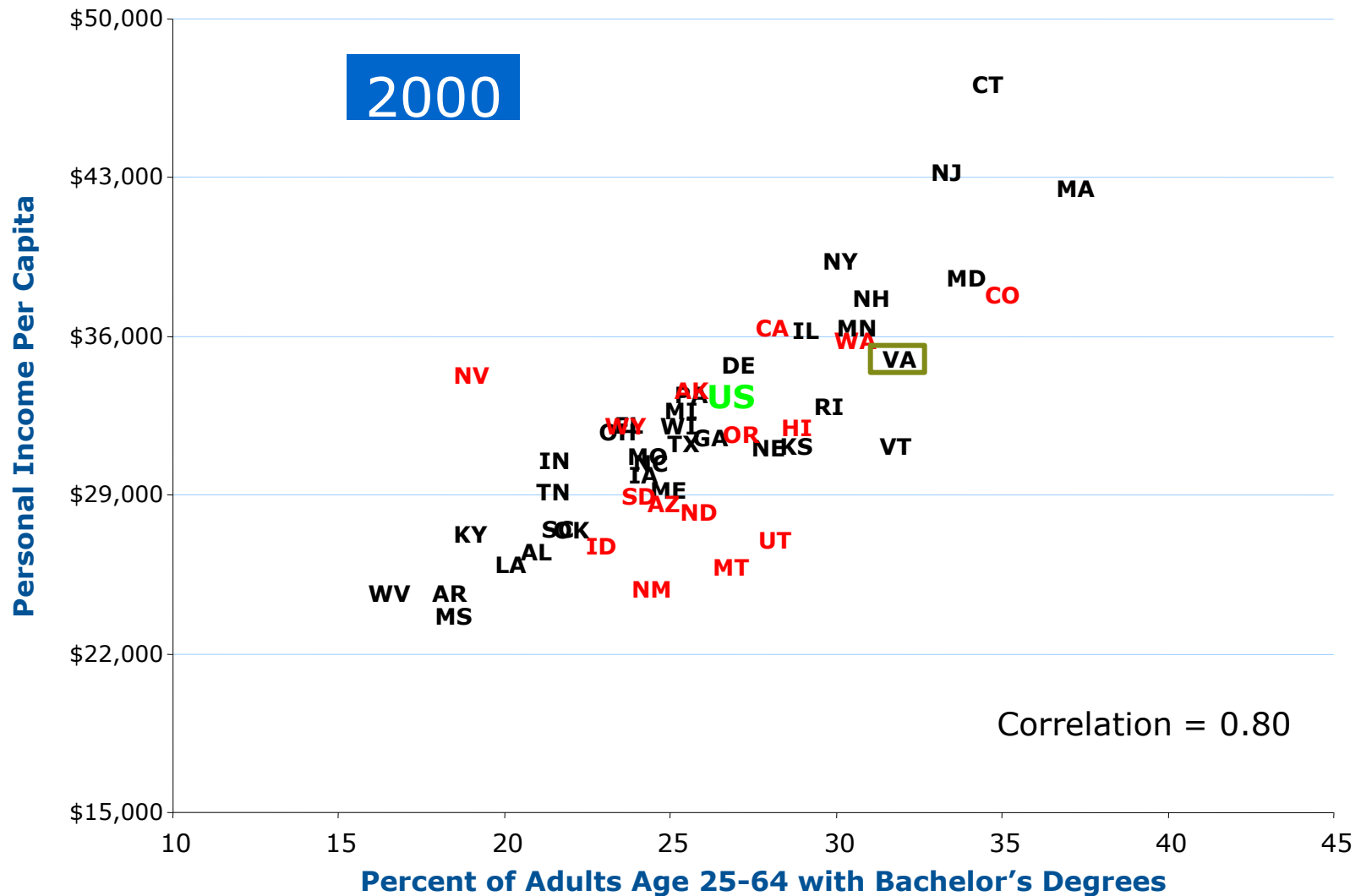
Educational Attainment and Income



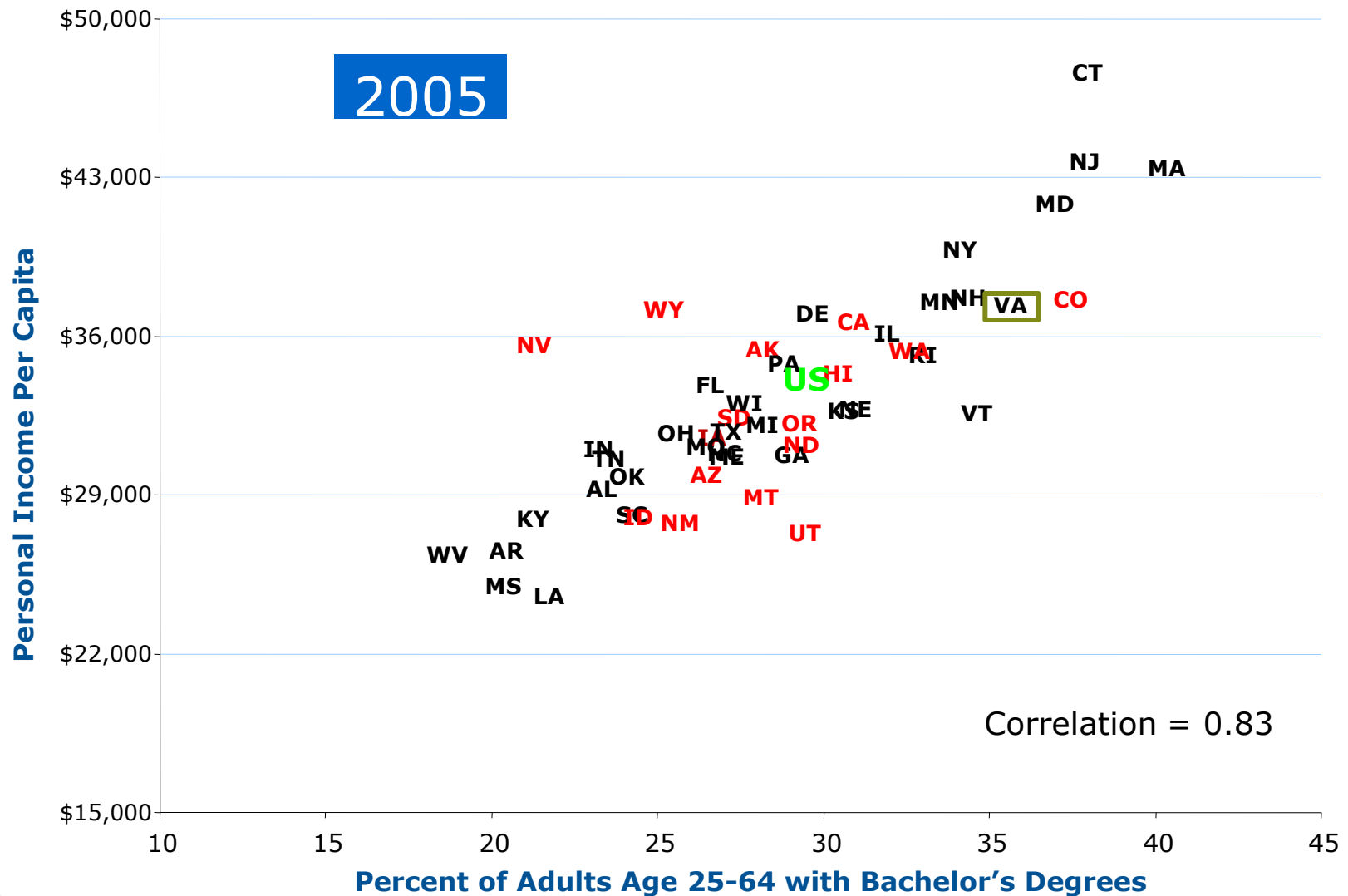
Educational Attainment and Income



Educational Attainment and Income

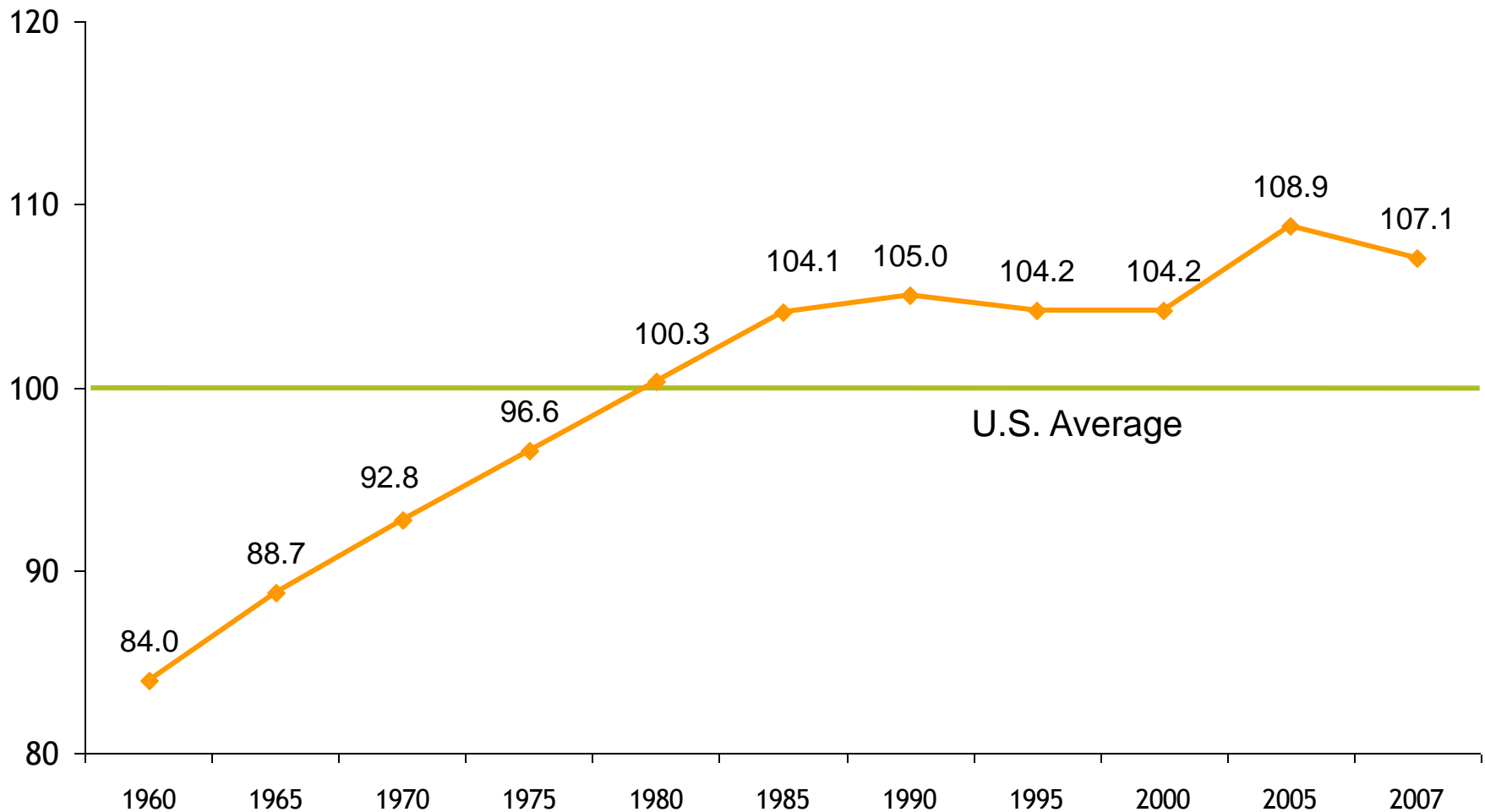


Educational Attainment and Income

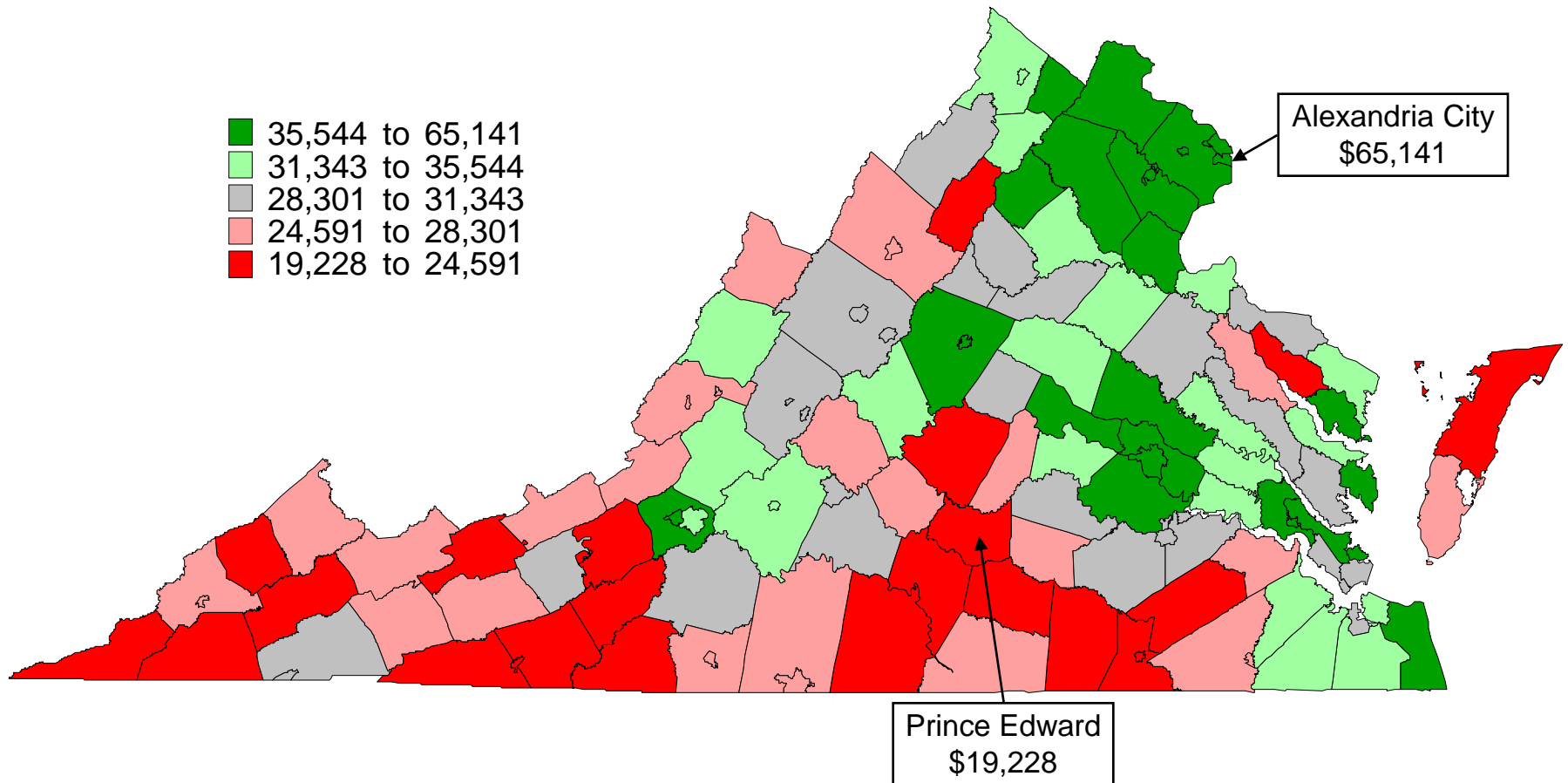


Source: U.S. Census Bureau, Decennial Census' and American Community Survey

Per Capita Personal Income as a Percent of U.S. Average—Virginia, 1960-2007



Virginia Per Capita Personal Income, 2006



Virginia = \$39,540

Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce

Increasing Levels of Education Attainment Lead to Improved Societal Outcomes

- Increased levels of workforce participation
- Decreased rates of incarceration
- Improved health outcomes
- Reduced participation in Medicaid and other social service programs
- Greater participation in artistic, cultural, and civic pursuits
- Higher levels of volunteerism and social engagement

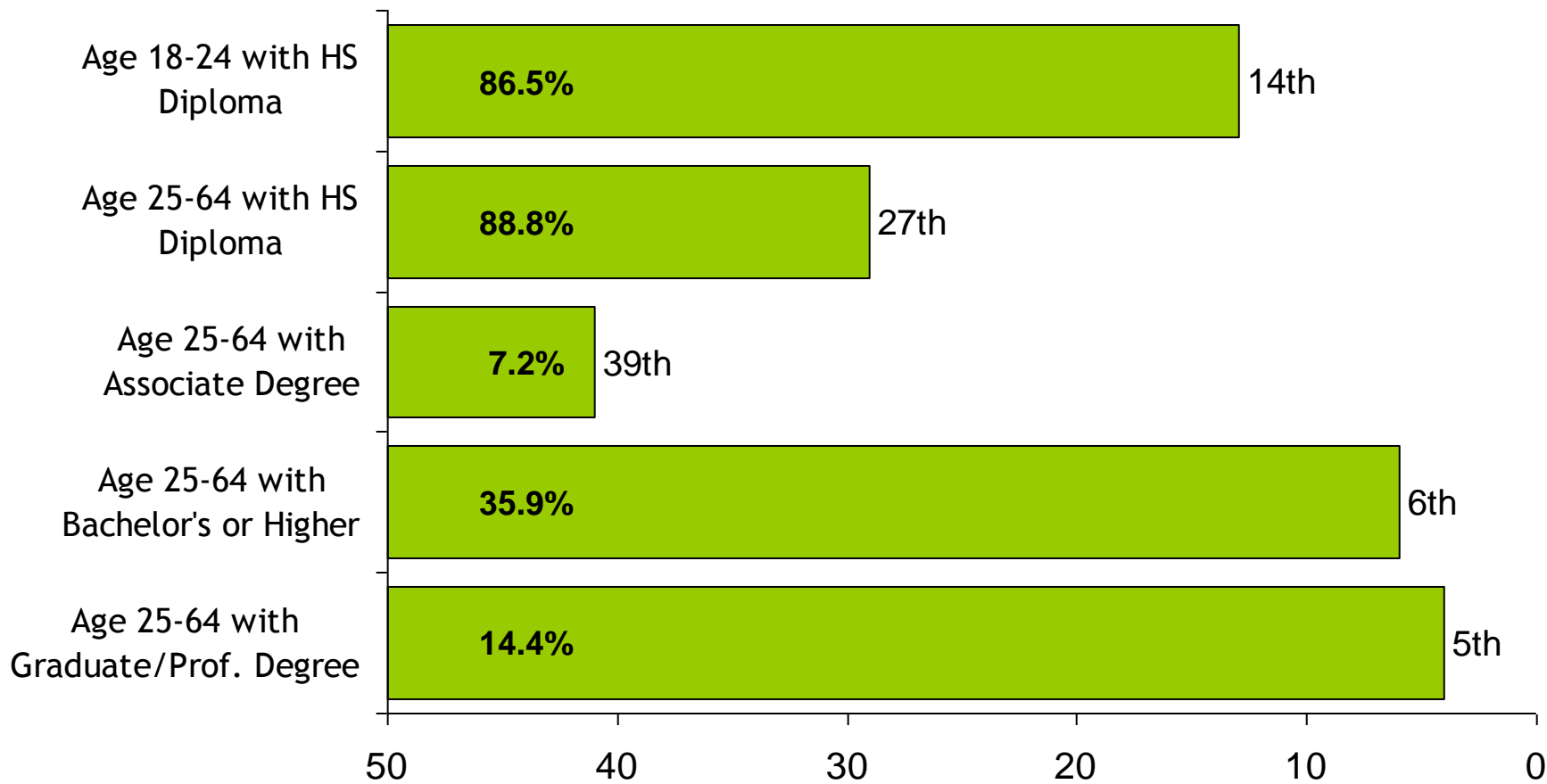
How Virginia Compares

- Education attainment of the workforce
- Research competitiveness
- Funding of higher education
- Productivity of the State's higher education system

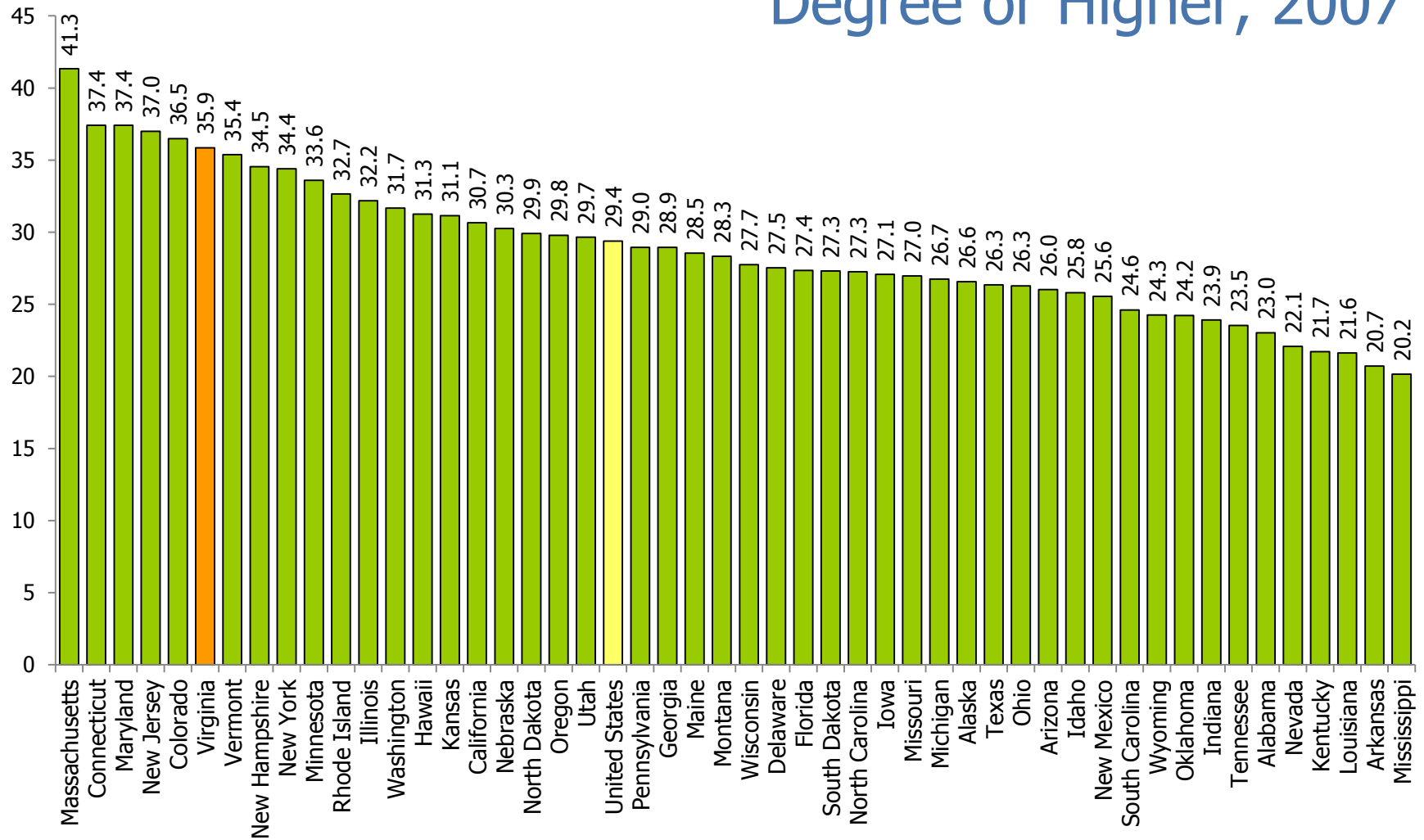
EDUCATION ATTAINMENT OF THE WORKFORCE

Educational Attainment and Rank Among States

Virginia, 2007 (Percent)

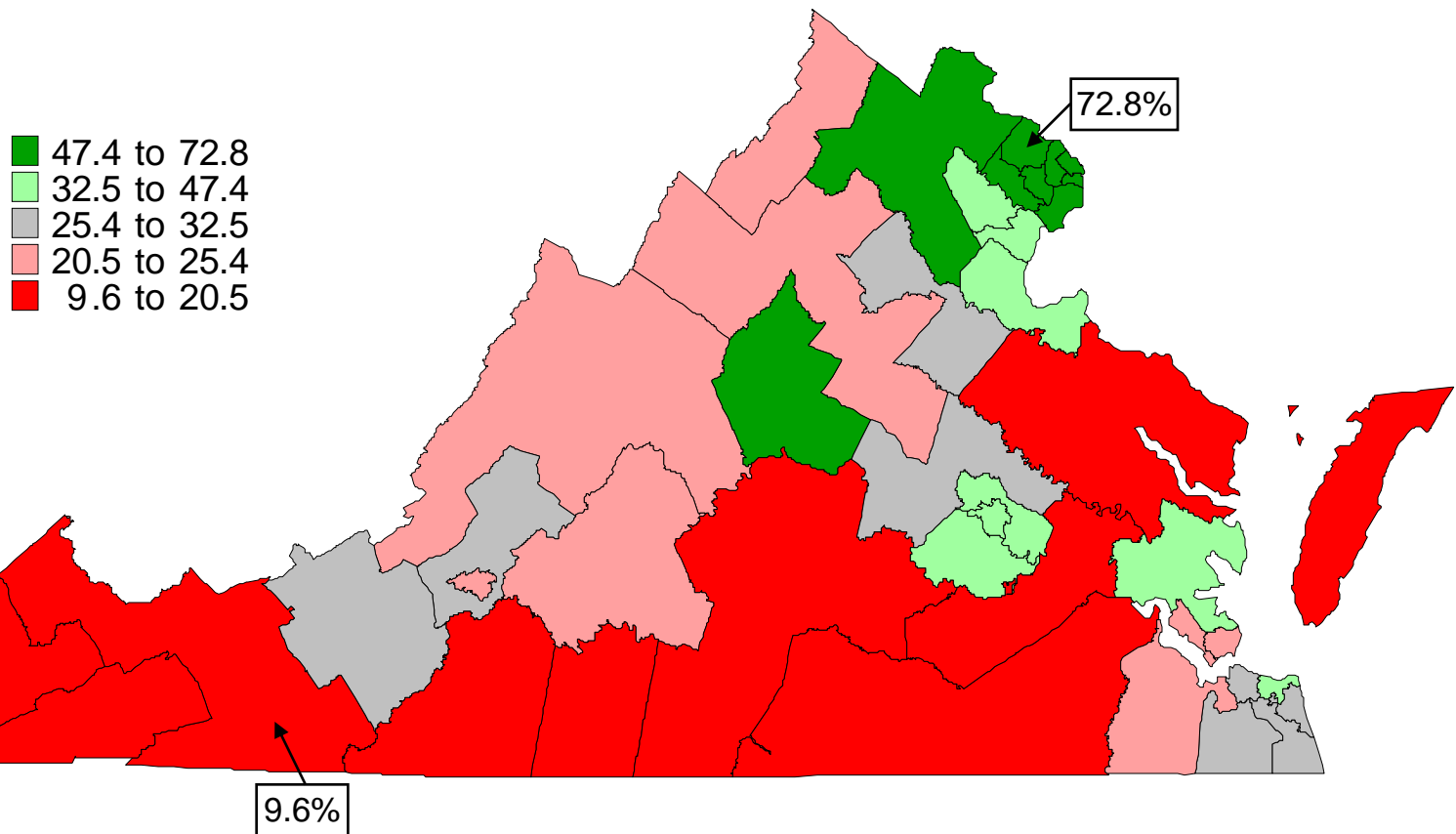


Percent of Population Ages 25-64 with a Bachelor's Degree or Higher, 2007



Source: U.S. Census Bureau, 2007 American Community Survey.

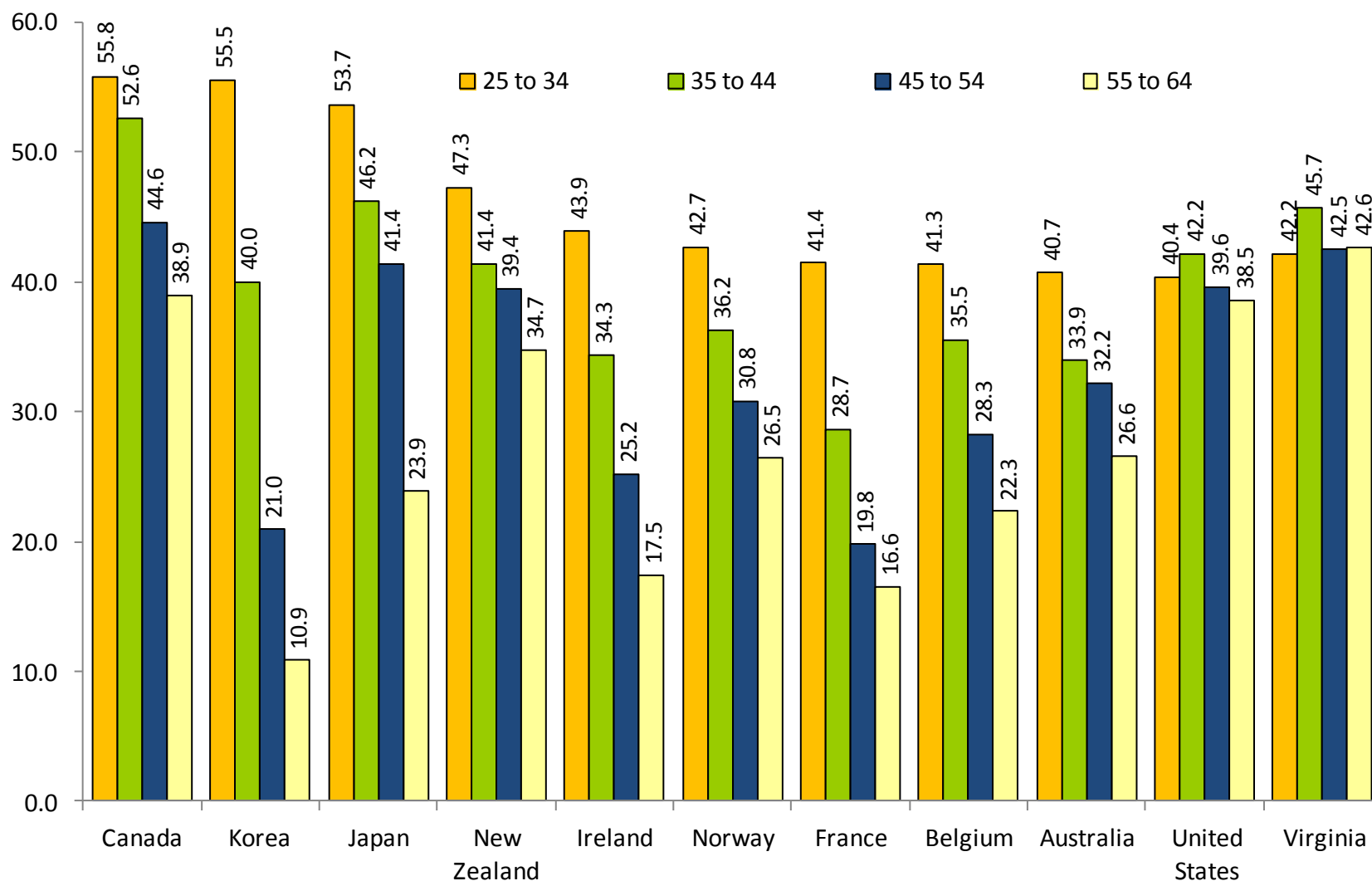
Percent of Virginia Population Age 25-64 with a Bachelor's Degree or Higher, 2006



Virginia = 35.1%

Source: U.S. Census Bureau, 2006 ACS PUMS File

Percent of Adults with an Associate Degree or Higher by Age Group – Virginia, U.S. & Leading OECD Countries



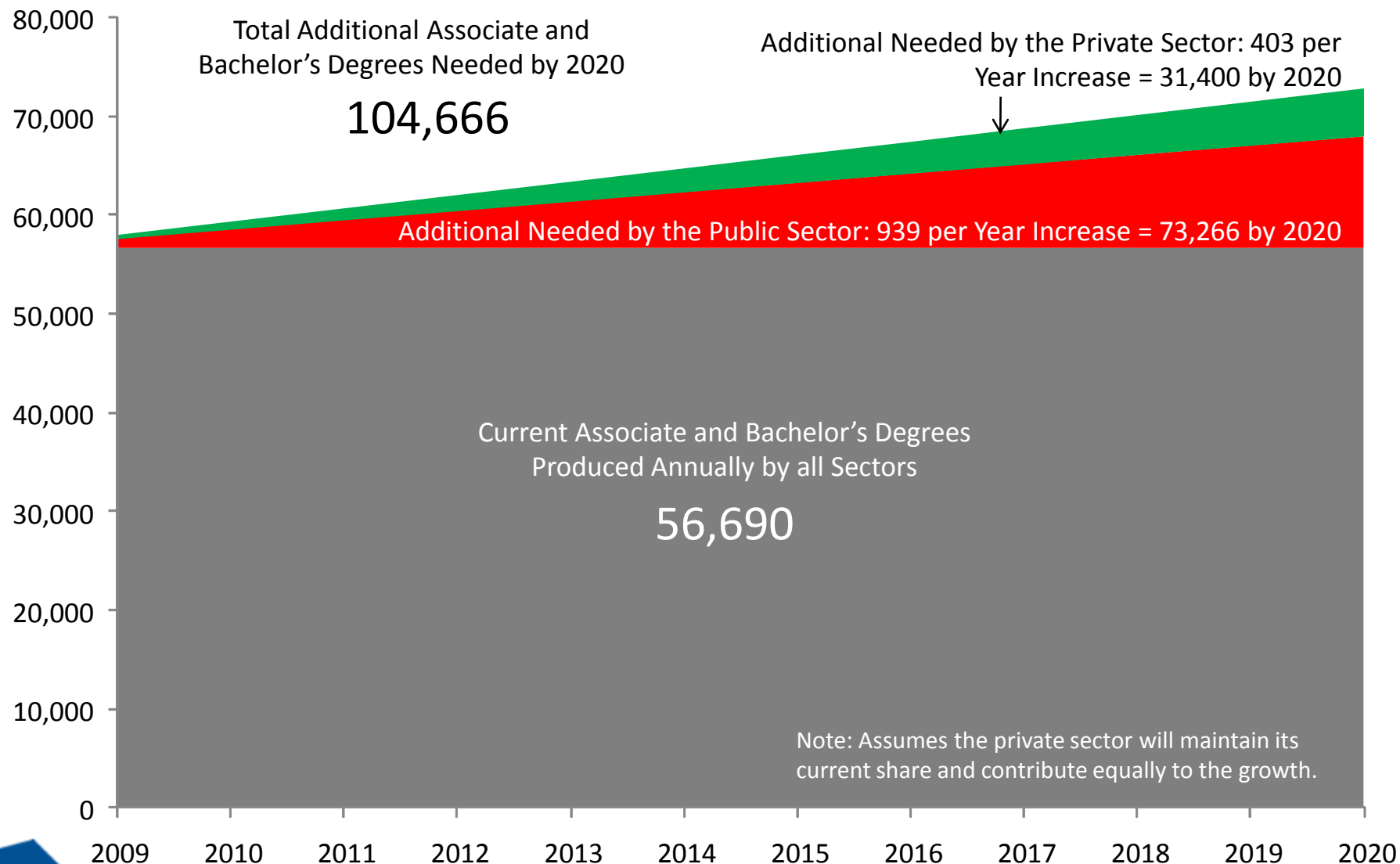
Source: OECD, Education at a Glance 2009

Matching Best-Performing Countries by 2020

(Associate and Higher)

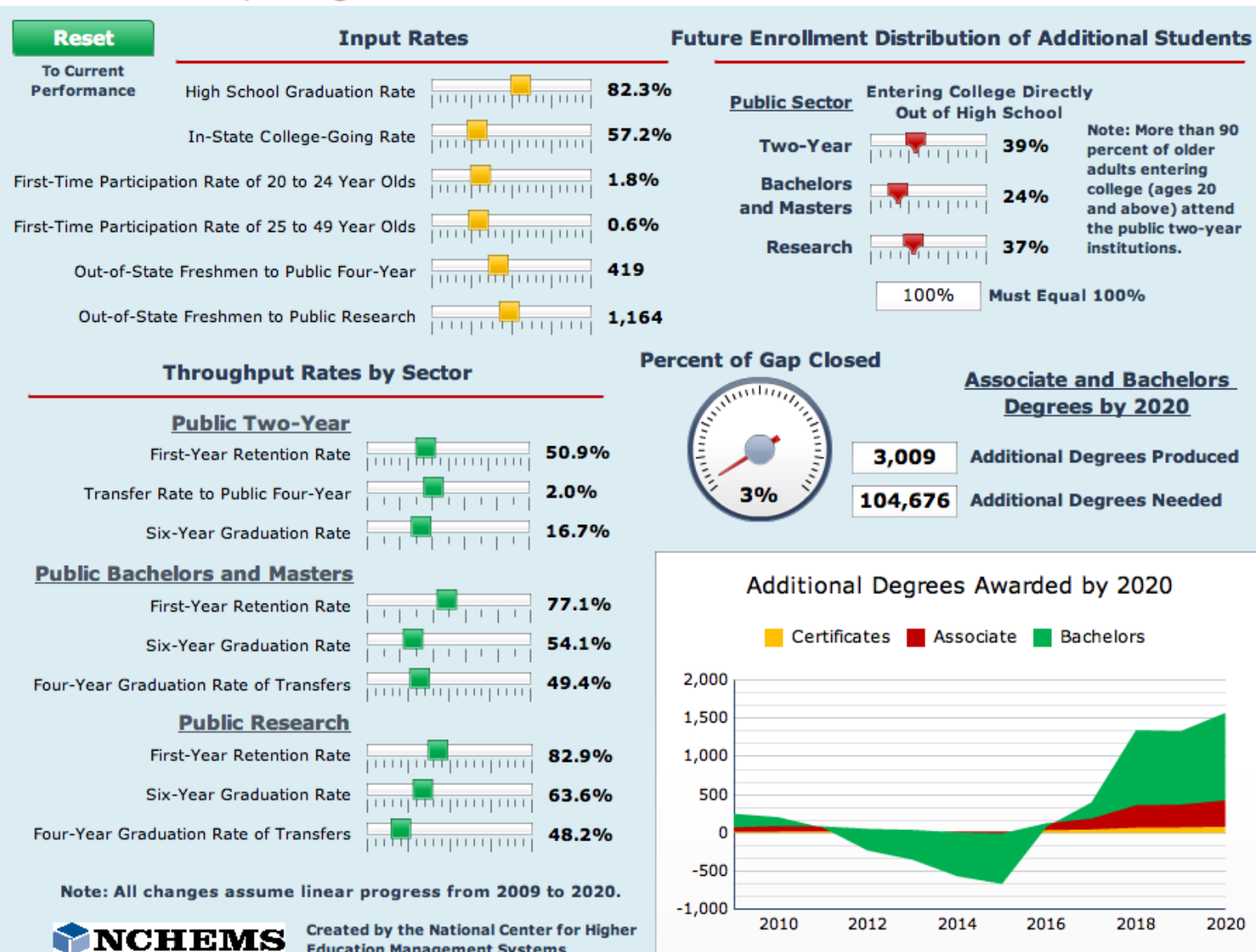
Projected 25 to 64 Year Olds in 2020	4,573,930
Educational Attainment Needed to Match Best-Performing Countries (Assoc and Higher) 51%	2,359,233
25 to 52 Year Olds with College Degrees (Who will Still be in the Cohort in 2020)	1,357,135
Maintaining Recent Annual Net Migration of College Degree Holders	217,152
Degrees Produced at Current Annual Rate by 2020	680,280
Gap: Additional Degrees (Associate and Bachelor's) Needed by 2020	104,666

Additional Degree Production Needed for Virginia to Match Best Performing Countries in Educational Attainment by 2020



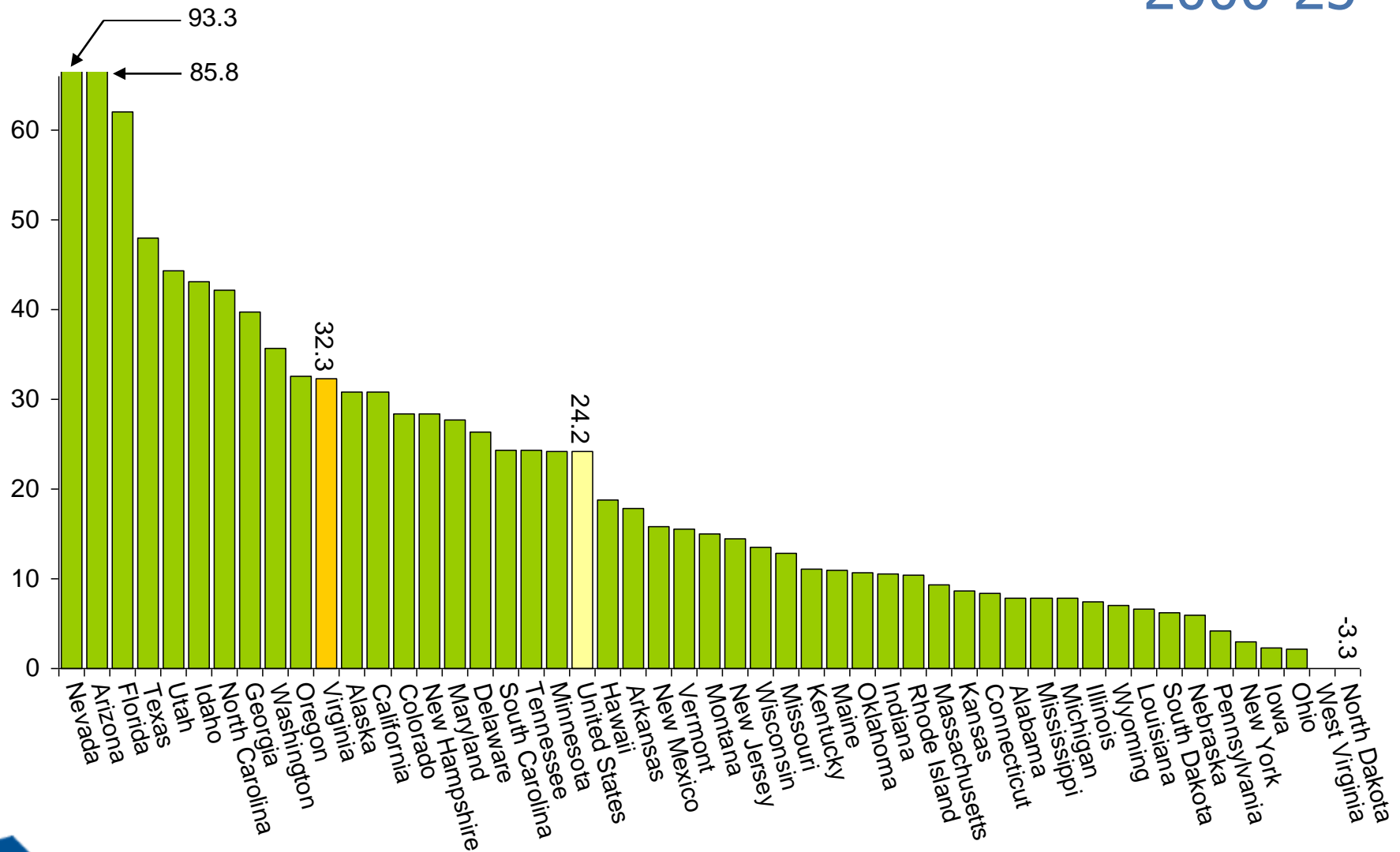
Virginia's Student Flow Model – Gauging Improved Performance to 2020

A Model for Exploring Educational Attainment Solutions

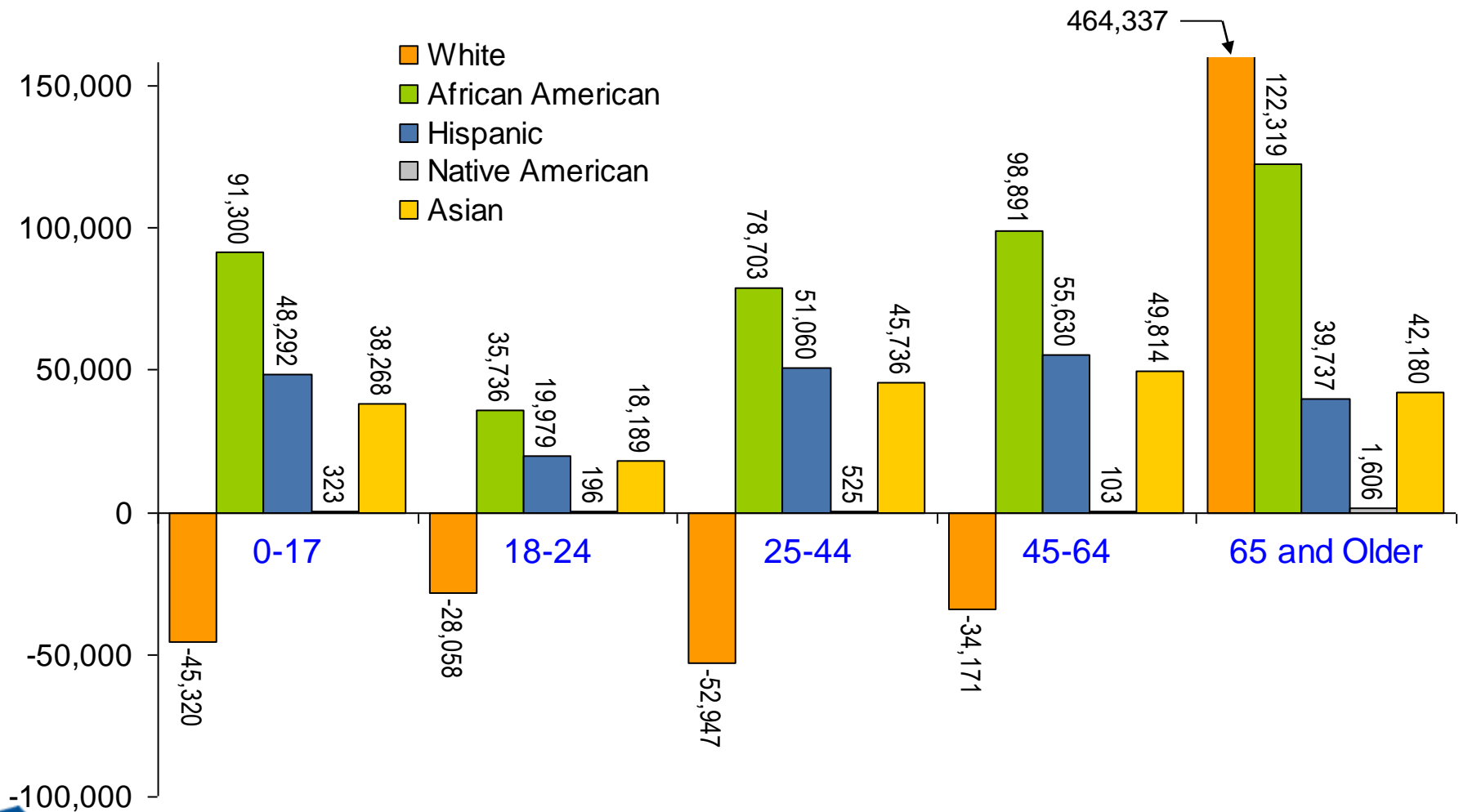


CONDITIONS AFFECTING EFFORTS TO IMPROVE EDUCATION ATTAINMENT

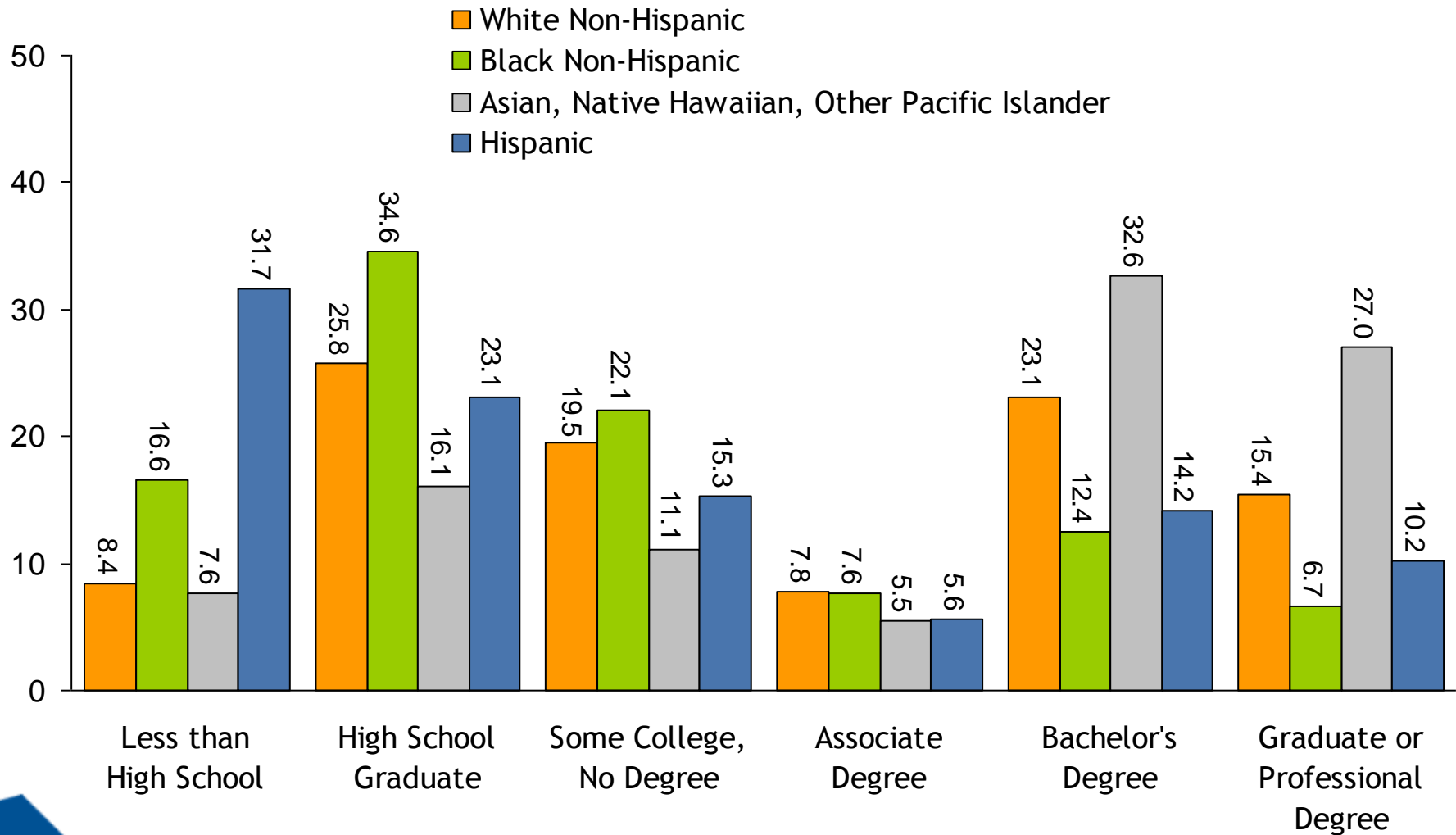
Population Projections, Percent Change 2000-25



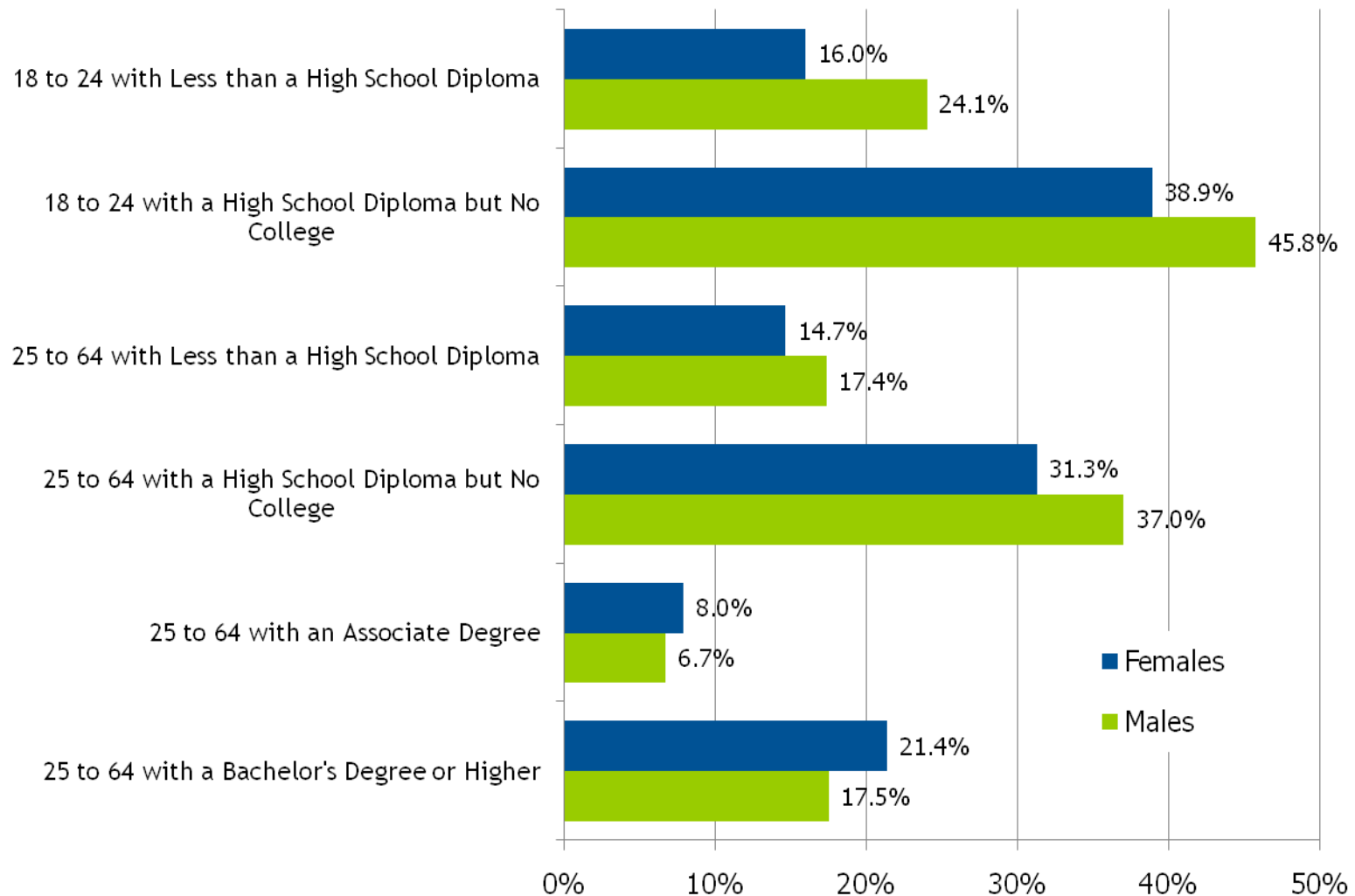
Projected Change in Virginia Population by Age and Race/Ethnicity, 2005-25 (in Thousands)



Percent Educational Attainment of Population Age 25-64 by Race/Ethnicity, Virginia, 2006

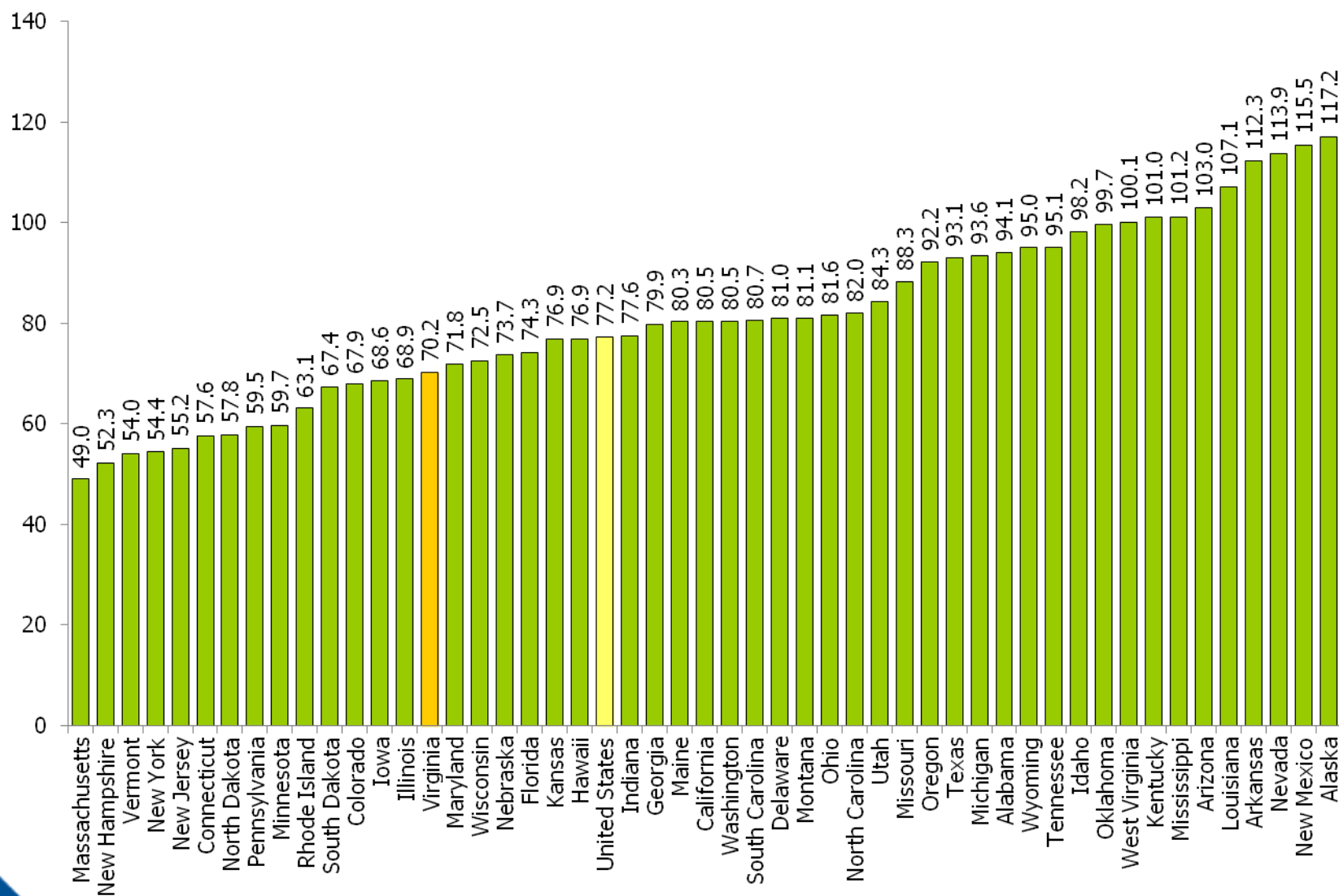


Educational Attainment for Blacks by Gender 2005-06



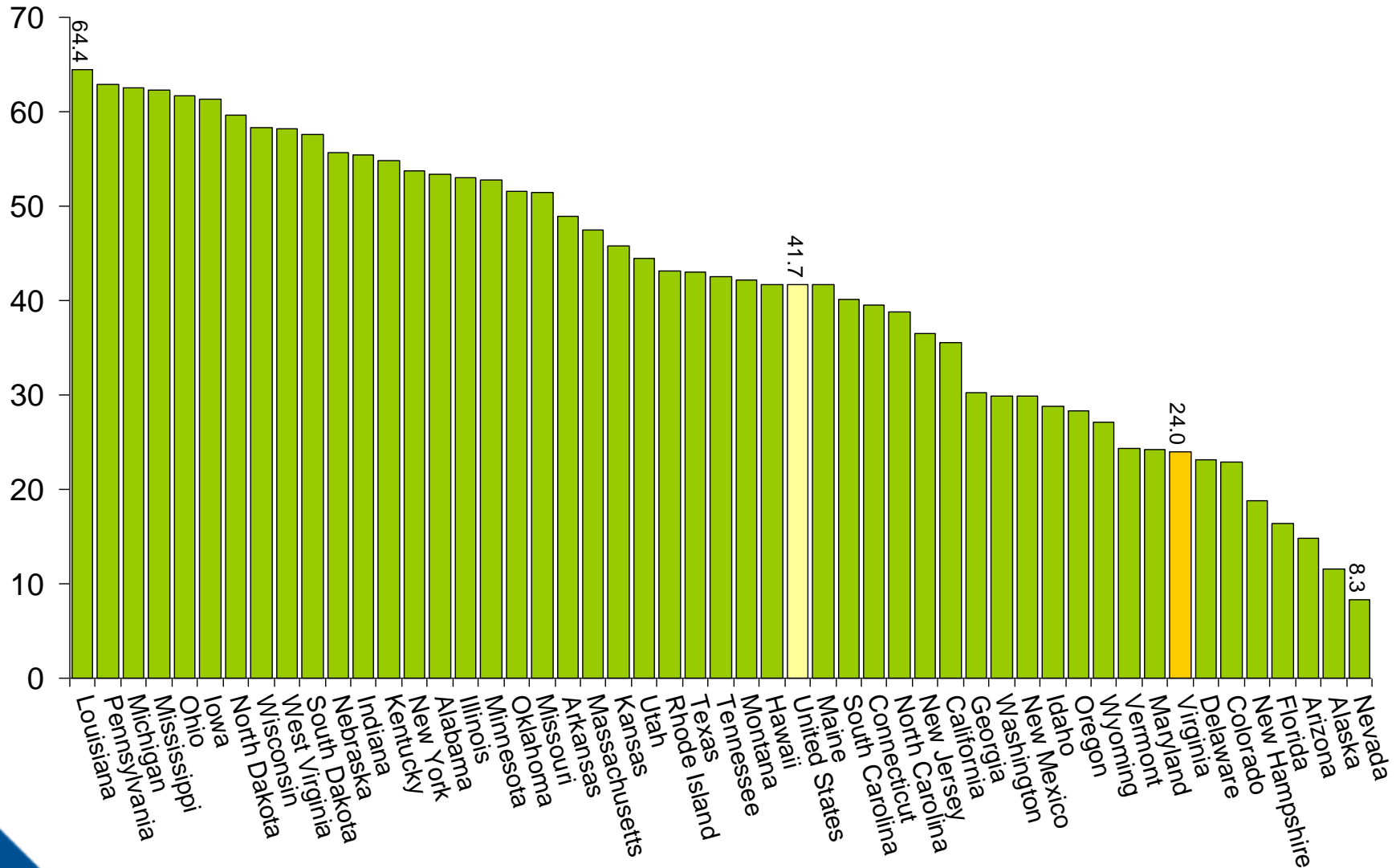
Source: American Community Survey - 2005 and 2006 (Public Use Microdata Samples)

Residents Aged 25 to 44 with Some College, No Degree as a Percentage of those with Associate and Bachelor's Degrees

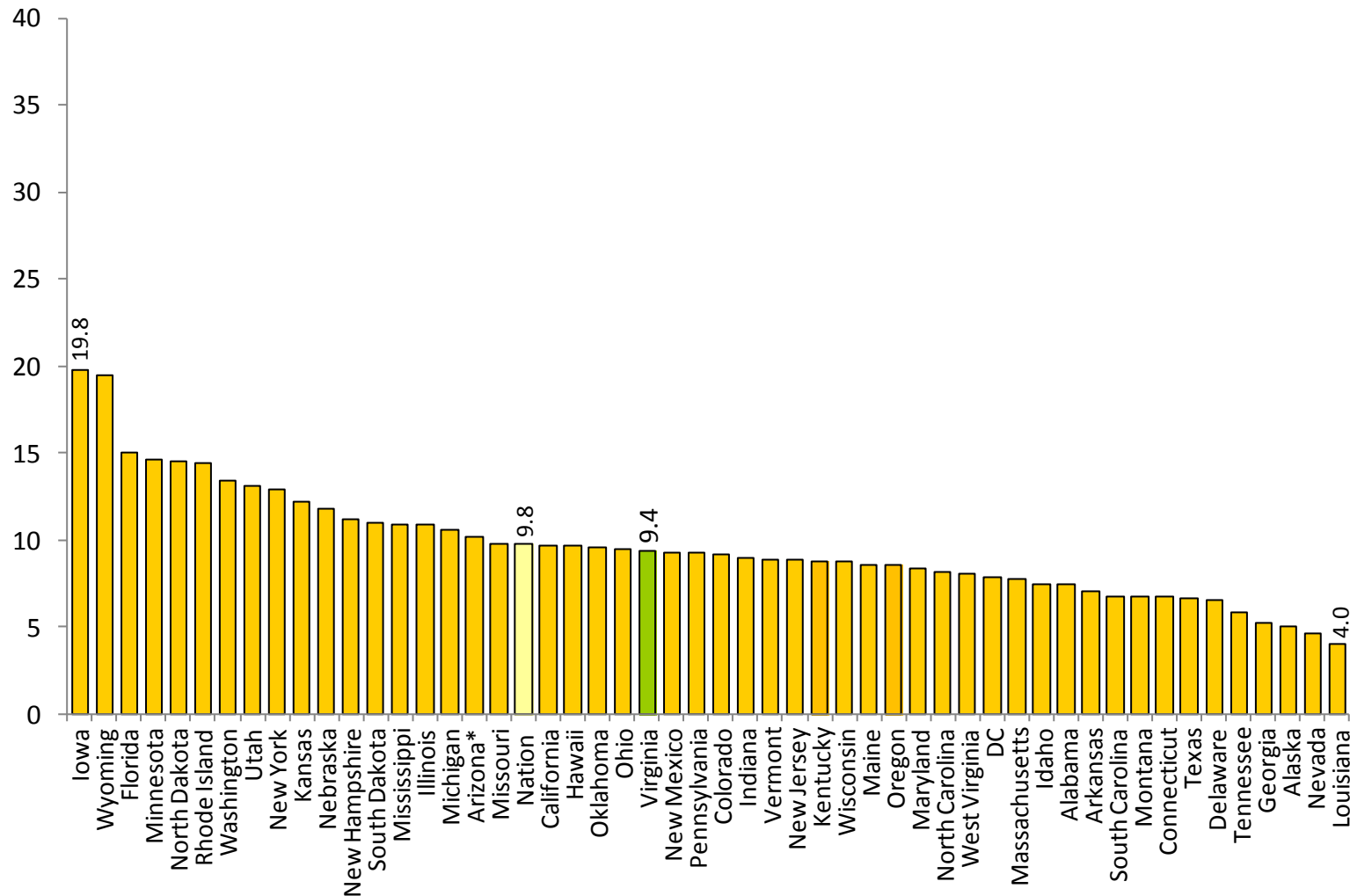


Source: U.S. Census Bureau, 2008 American Community Survey

Percent of Residents Age 25-64 with a Bachelor's Degree or Higher Born In-State, 2005



Associate Degrees Awarded at All Colleges per 1,000 Adults Age 18-44 with No College Degree, 2008

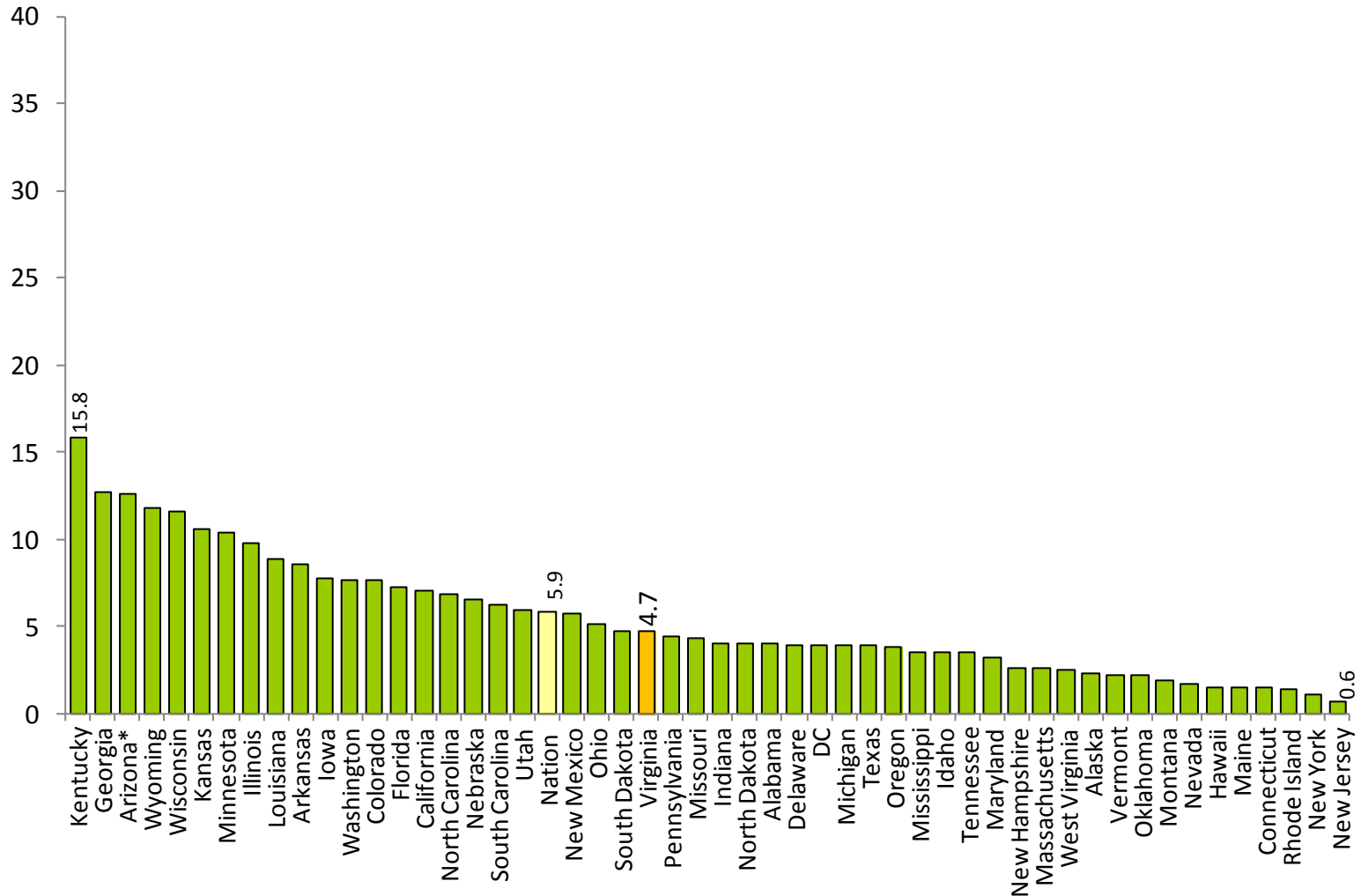


Source1: NCES, IPEDS 2007-08 Completions File; c2008_a Final Release Data File.

Source2: U.S. Census Bureau, 2008 American Community Survey (ACS) Public Use Microdata Sample (PUMS) File.

*University of Phoenix Online and Western International University are excluded from Arizona's results, but included in the National total. Their awards are not representative of Arizona's performance as most first-time undergraduates are out-of-state residents (University of Phoenix Online = 97.4% out-of-state, Western International = 87.1% out-of-state - IPEDS fall 2008 Residence & Migration File).

Certificates Awarded at All Colleges per 1,000 Adults Age 18-44 with No College Degree, 2008

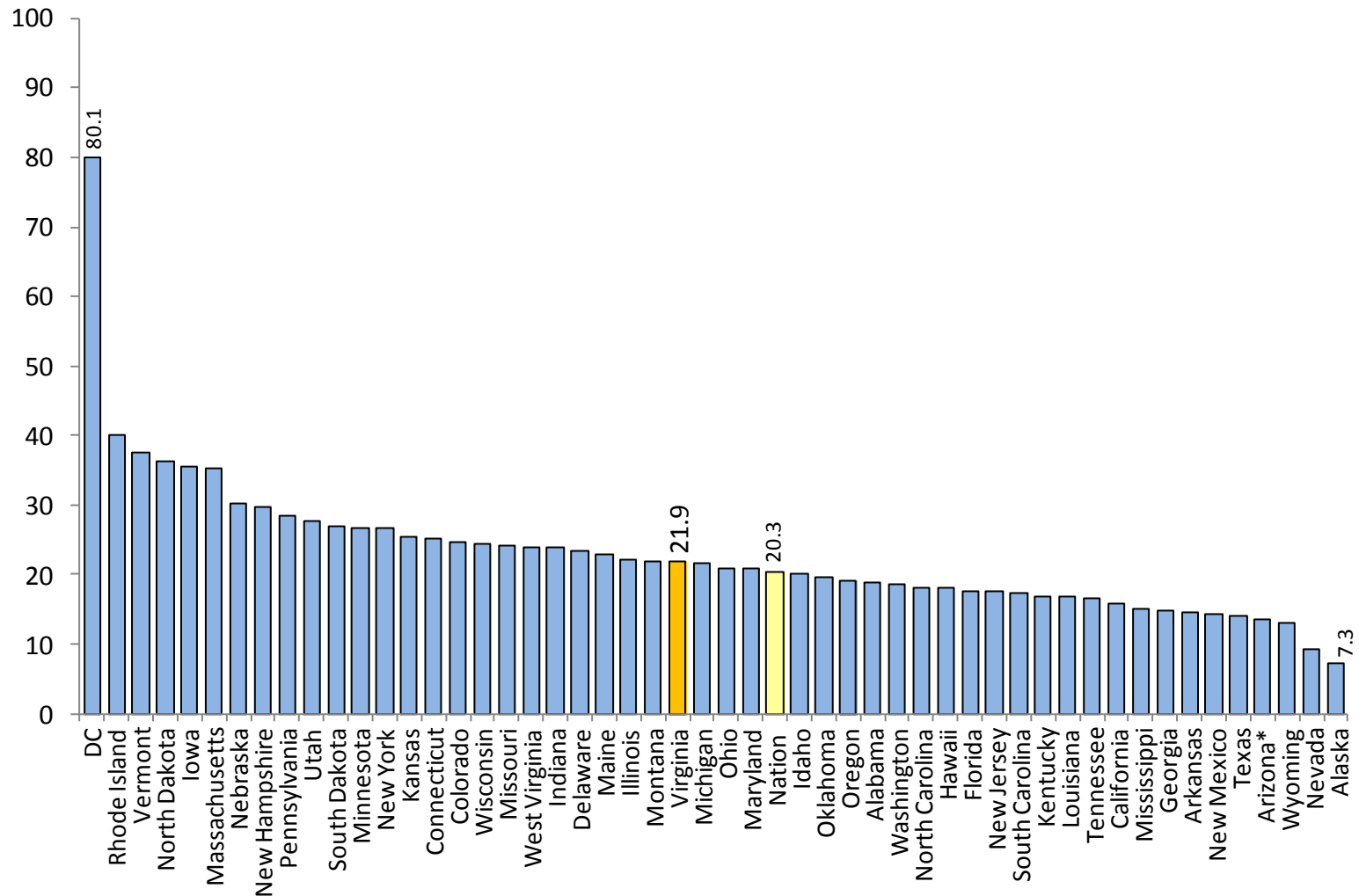


Source1: NCES, IPEDS 2007-08 Completions File; c2008_a Final Release Data File.

Source2: U.S. Census Bureau, 2008 American Community Survey (ACS) Public Use Microdata Sample (PUMS) File.

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Bachelor's Degrees Awarded at All Colleges per 1,000 Adults Age 18-44 with No College Degree, 2008



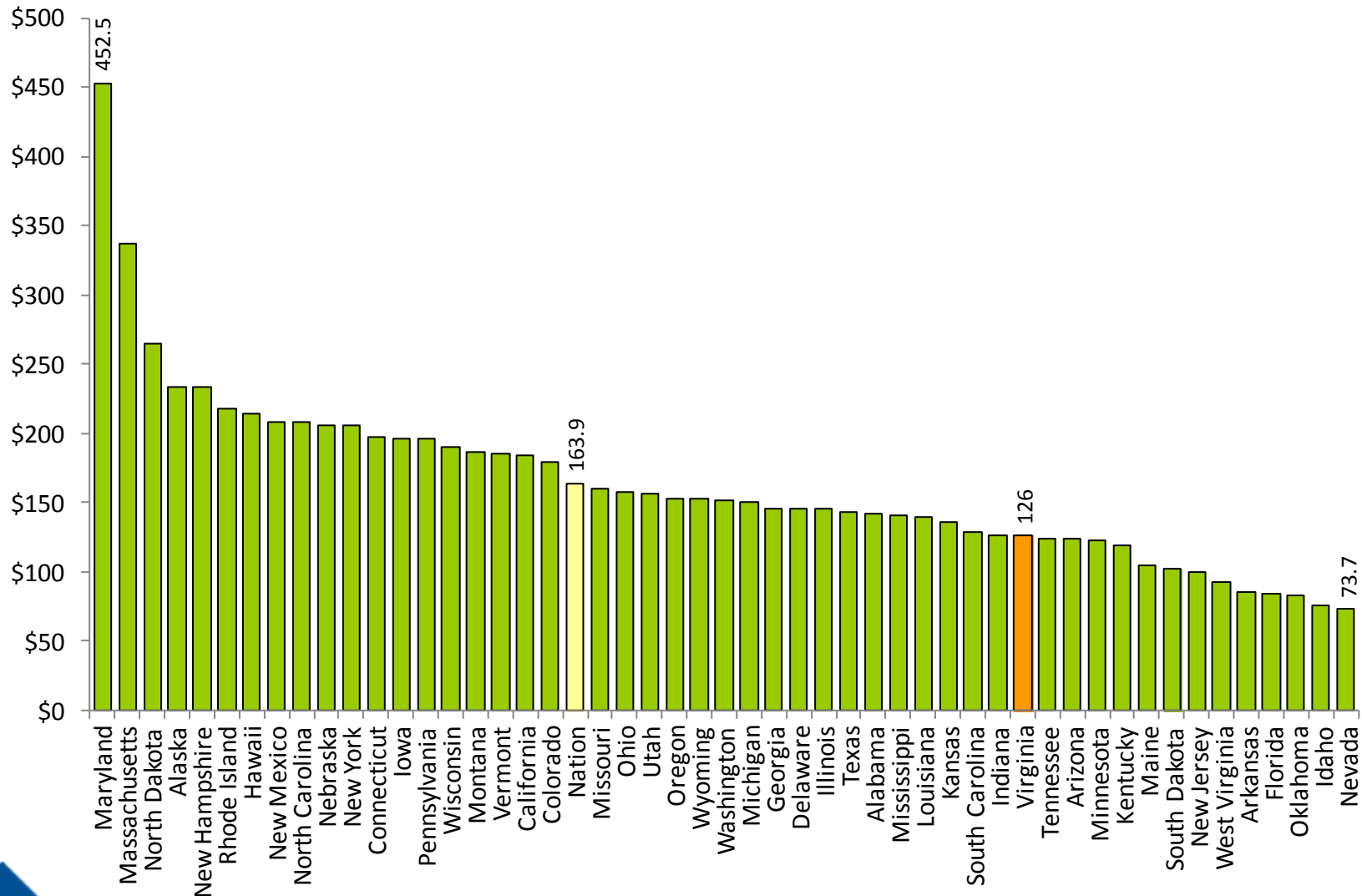
Source1: NCES, IPEDS 2007-08 Completions File; c2008_a Final Release Data File.

Source2: U.S. Census Bureau, 2008 American Community Survey (ACS) Public Use Microdata Sample (PUMS) File.

*University of Phoenix Online and Western International University are excluded from Arizona's results, but included in the National total. Their awards are not representative of Arizona's performance as most first-time undergraduates are out-of-state residents (University of Phoenix Online = 97.4% out-of-state, Western International = 87.1% out-of-state - IPEDS fall 2008 Residence & Migration File).

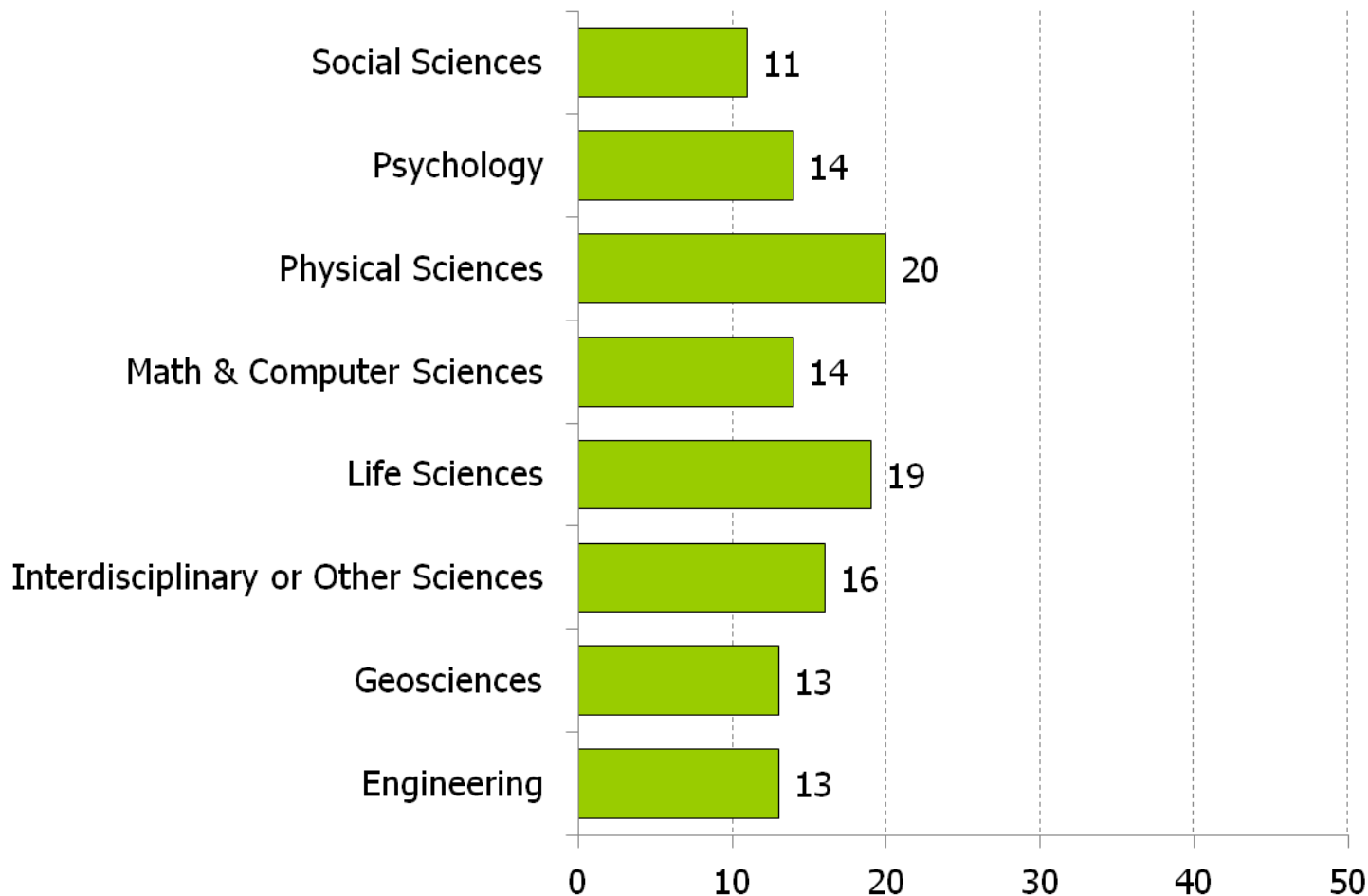
RESEARCH COMPETITIVENESS

Total R&D Expenditures Per Capita, 2007



Ranking: Federal R&D Expenditures by Discipline

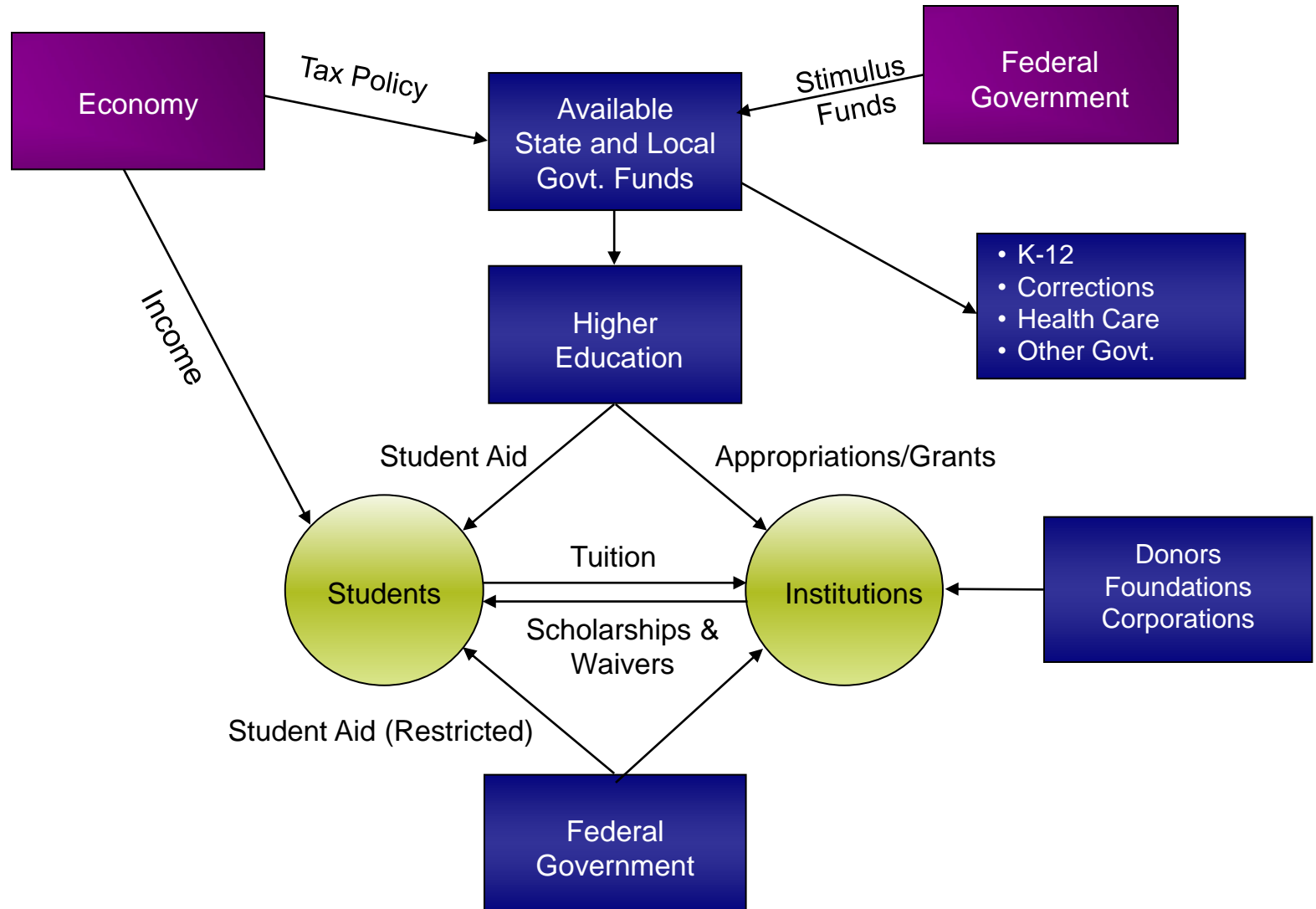
Virginia, 2007



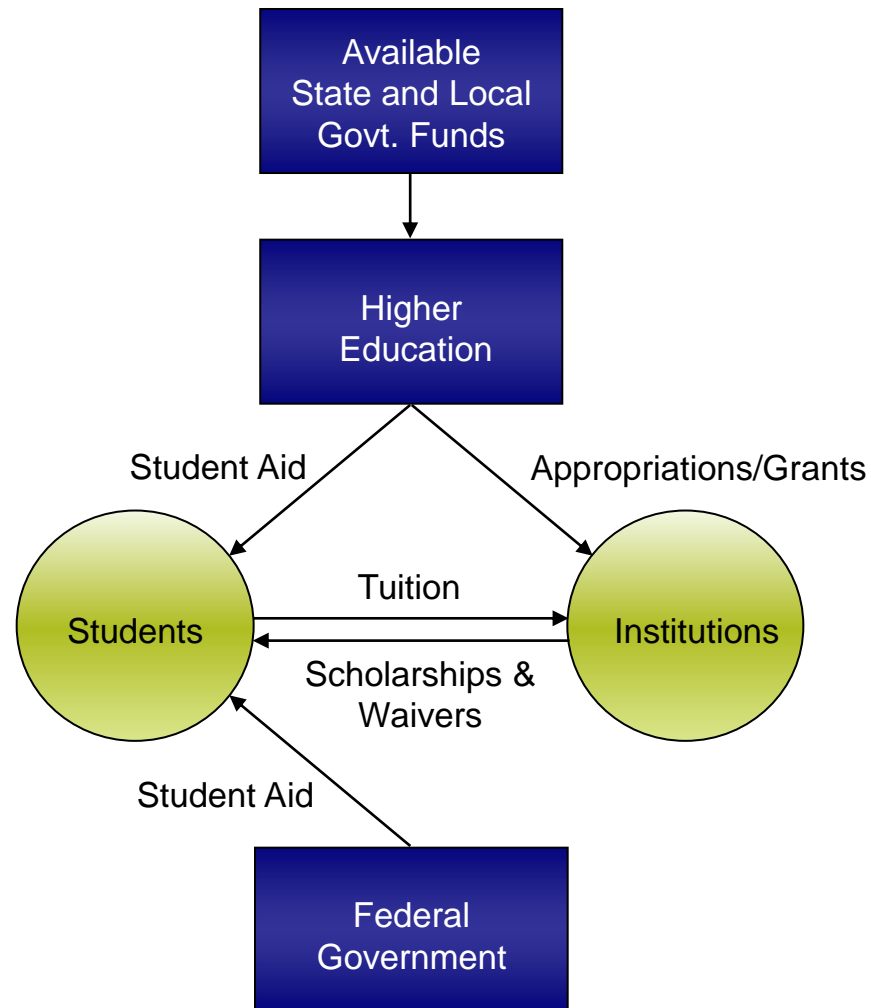
Virginia Ranks 12th in Population

FUNDING OF HIGHER EDUCATION

The Flow of Funds



The Flow of Funds

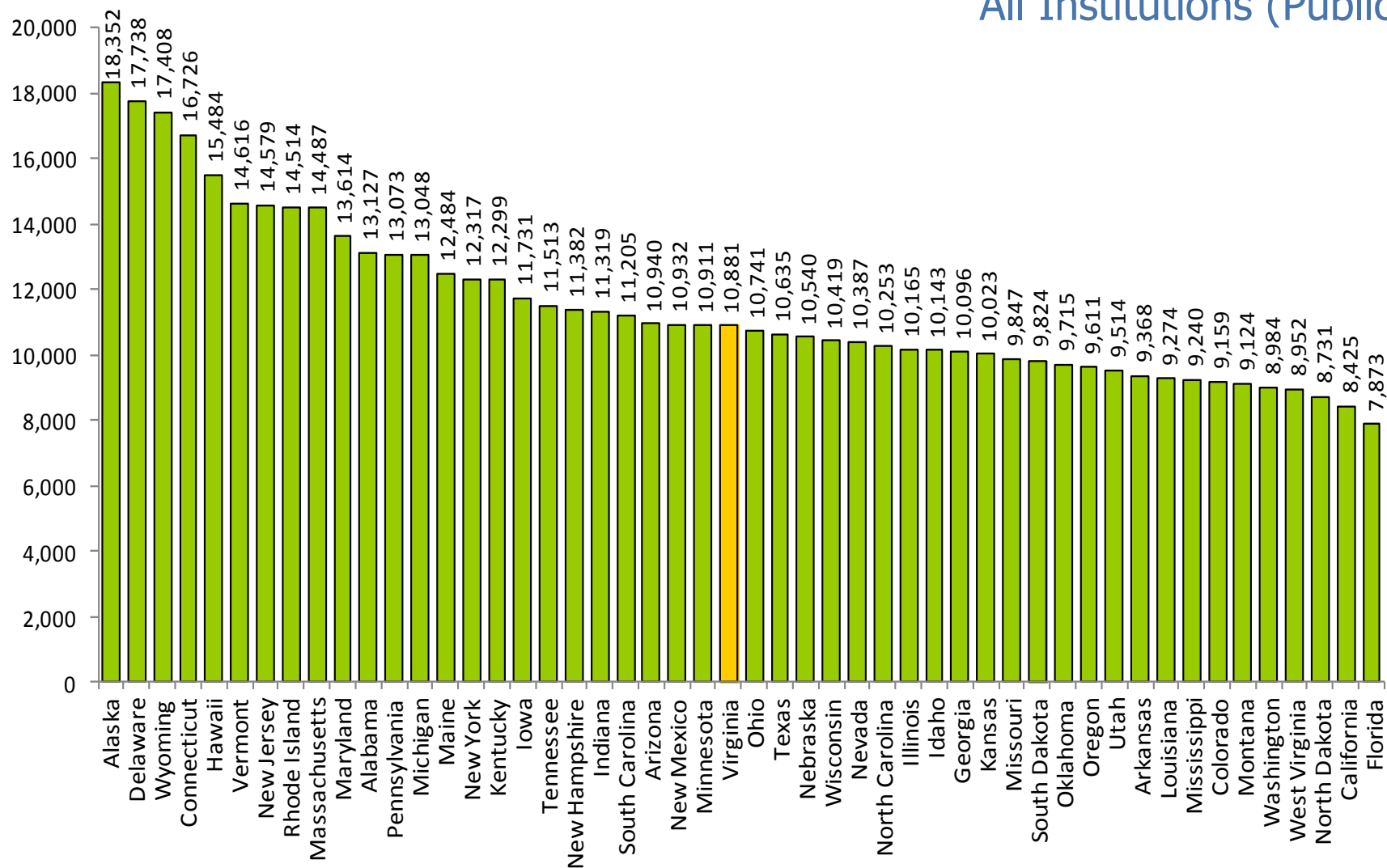


A Reality Facing Higher Education

- Employment recovery lags fiscal recovery
- State tax collections lag employment recovery
- Funding for higher education lags state tax revenues recovery

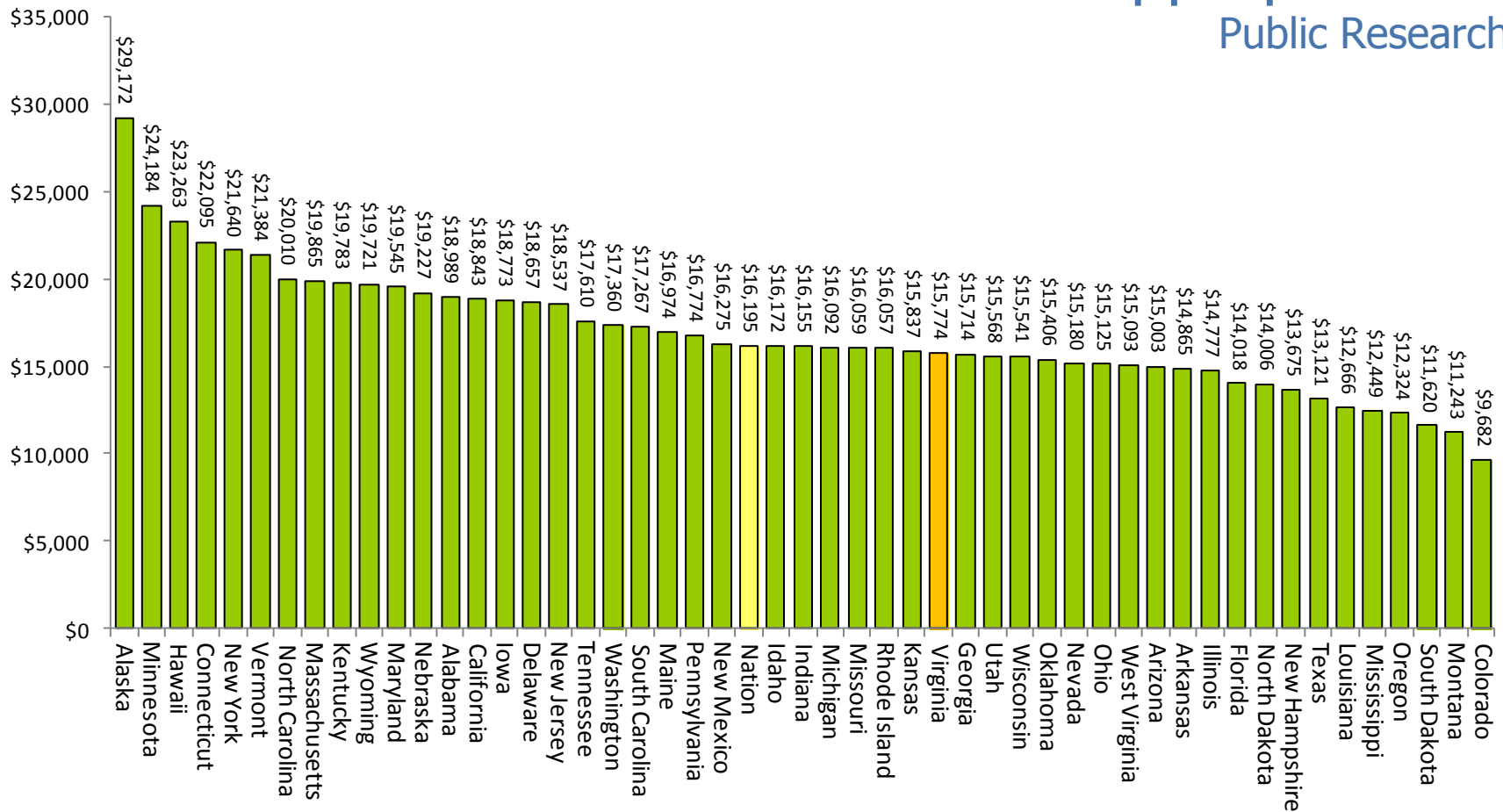
State/Local Funding plus Tuition Revenue per FTE Student

All Institutions (Public)



Revenues Per Student from Net Tuition, State, & Local Appropriations

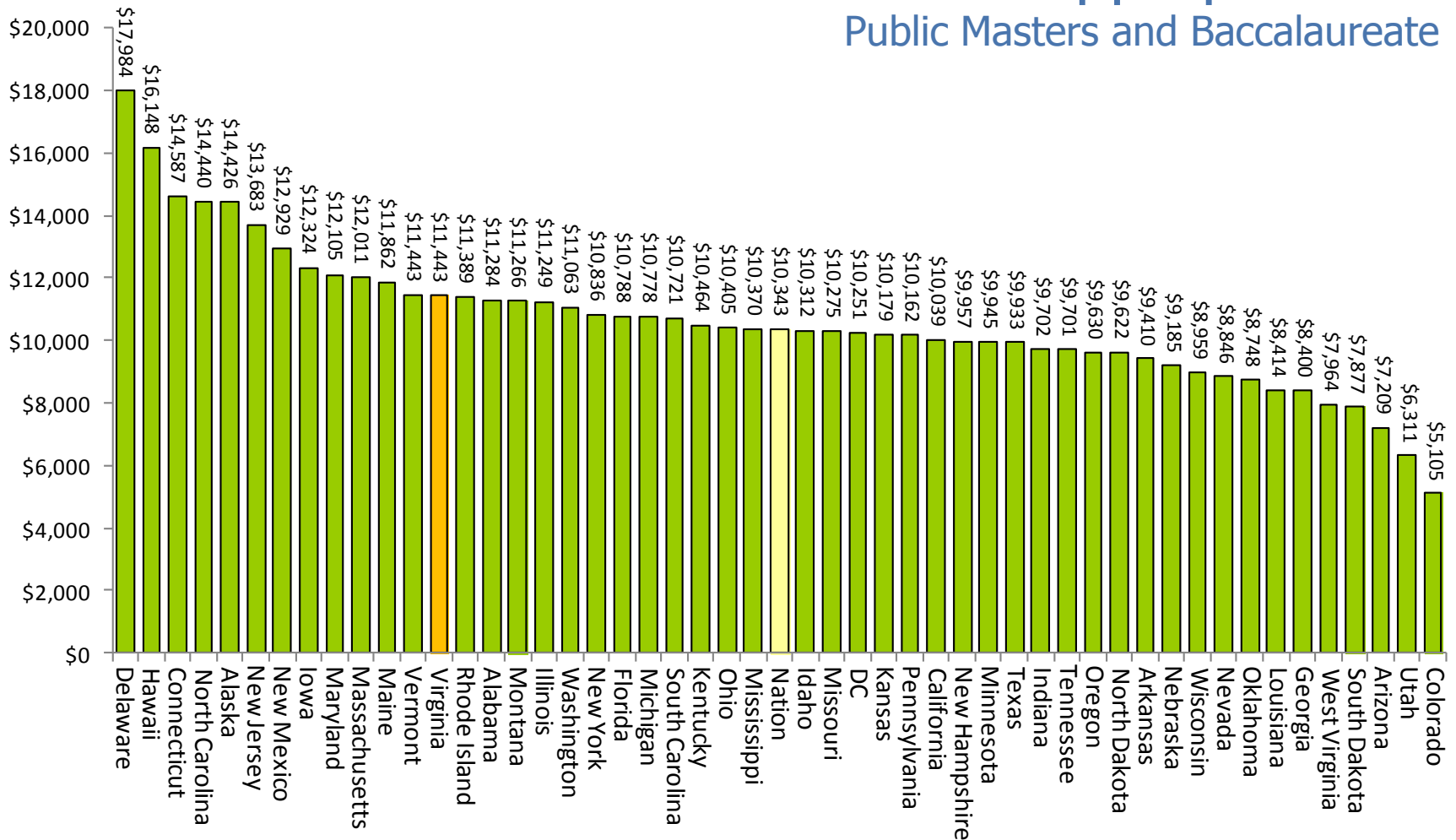
Public Research



Sources: NCES, IPEDS 2006-07 Finance Files; f0607_f1a and f0607_f2 Final Release Data Files.
 NCES, IPEDS 2007-08 Institutional Characteristics File; hd2007 Final Release Data File.
 NCES, IPEDS 2006-07 Enrollment Files; ef2006a, effy2007, and efi2007 Final Release Data Files.

Revenues Per Student from Net Tuition, State, & Local Appropriations

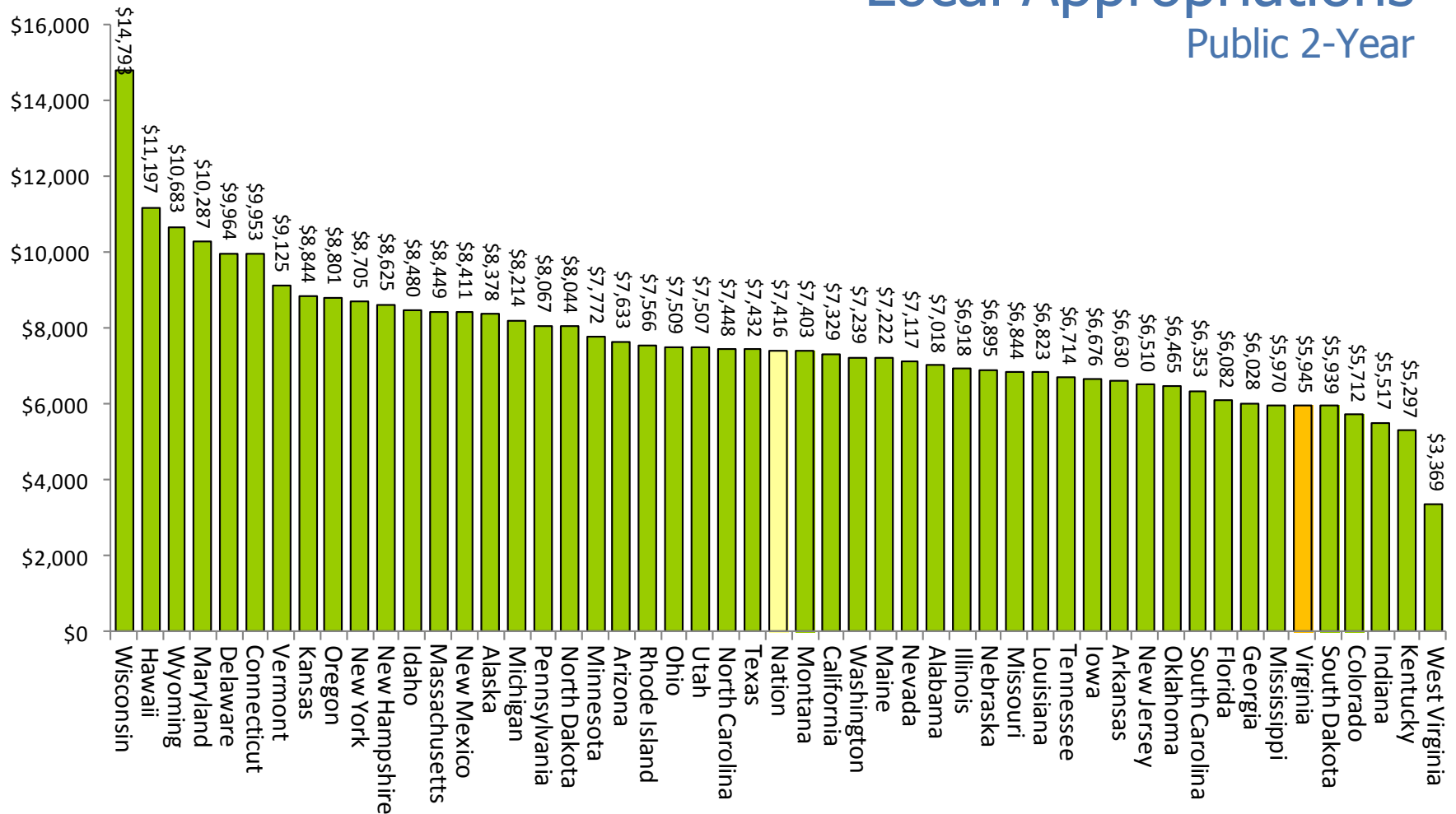
Public Masters and Baccalaureate



Sources: NCES, IPEDS 2006-07 Finance Files; f0607_f1a and f0607_f2 Final Release Data Files.
 NCES, IPEDS 2007-08 Institutional Characteristics File; hd2007 Final Release Data File.
 NCES, IPEDS 2006-07 Enrollment Files; ef2006a, effy2007, and efia2007 Final Release Data Files.

Revenues Per Student from Net Tuition, State, & Local Appropriations

Public 2-Year

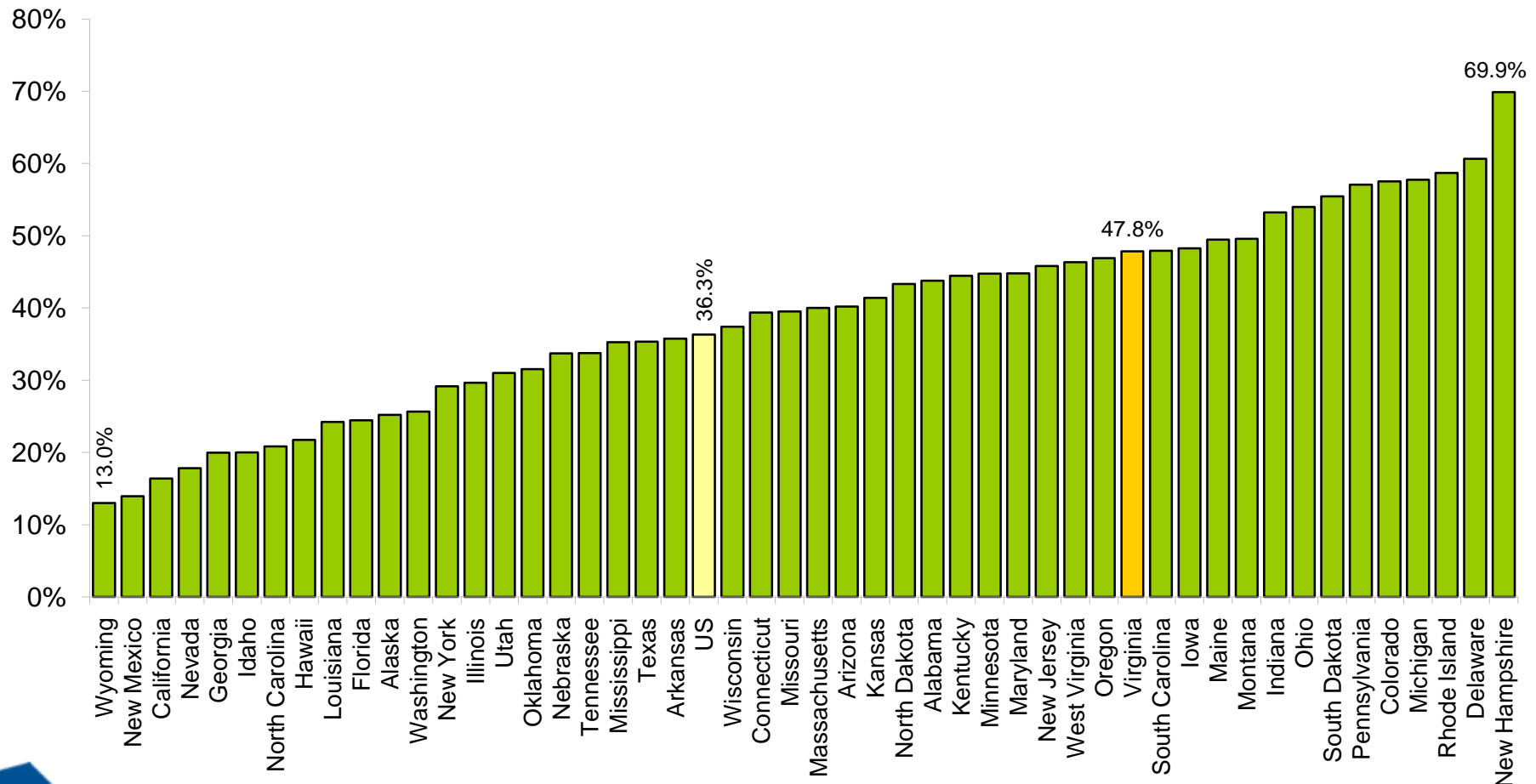


Sources: NCES, IPEDS 2006-07 Finance Files; f0607_f1a and f0607_f2 Final Release Data Files.

NCES, IPEDS 2007-08 Institutional Characteristics File; hd2007 Final Release Data File.

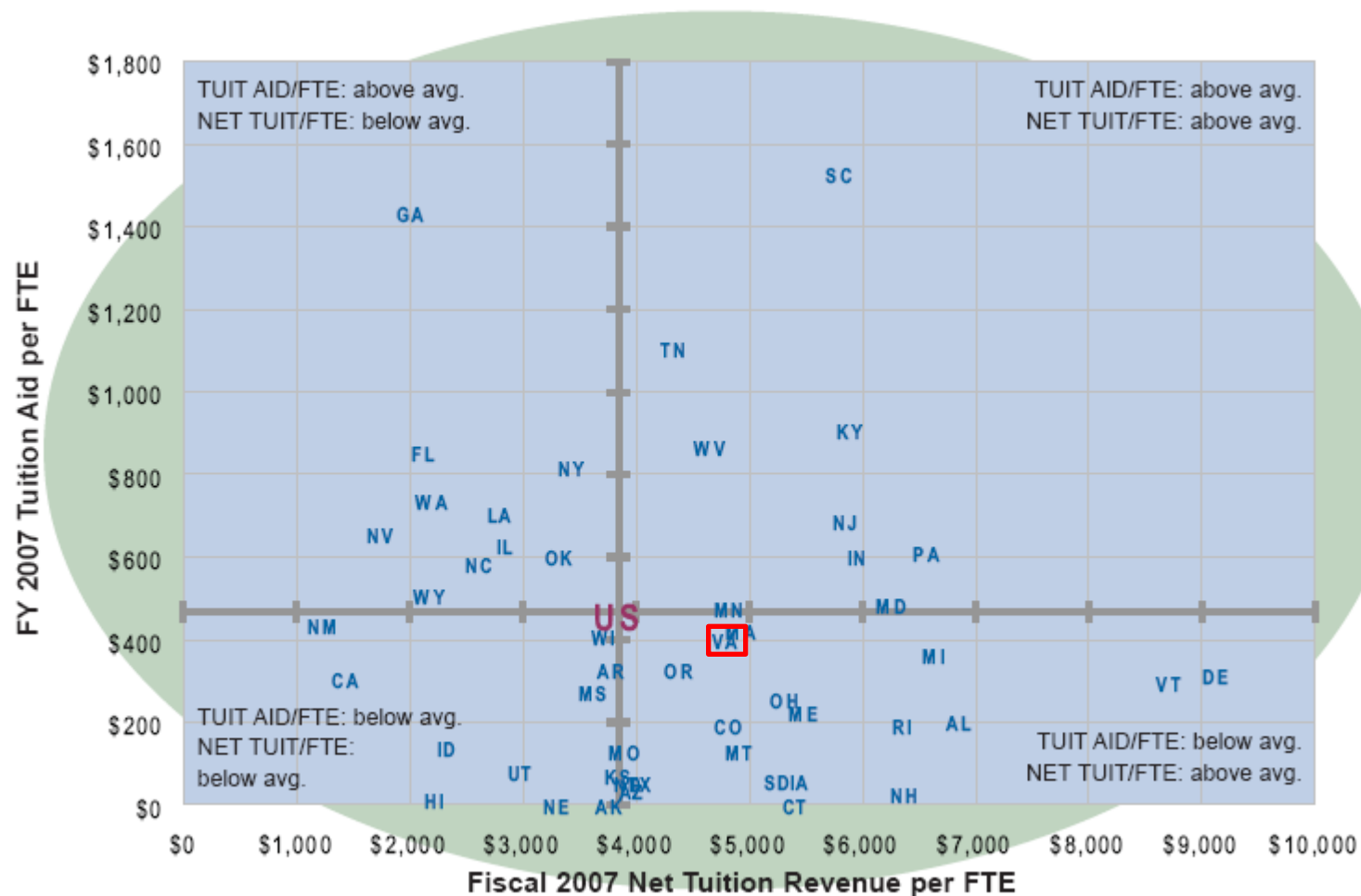
NCES, IPEDS 2006-07 Enrollment Files; ef2006a, effy2007, and efia2007 Final Release Data Files.

Net Tuition as a Percent of Public Higher Education Total Educational Revenue by State, FY 2008



Note: Dollars adjusted by 2008 HECA, Cost of Living Adjustment, and Enrollment Mix

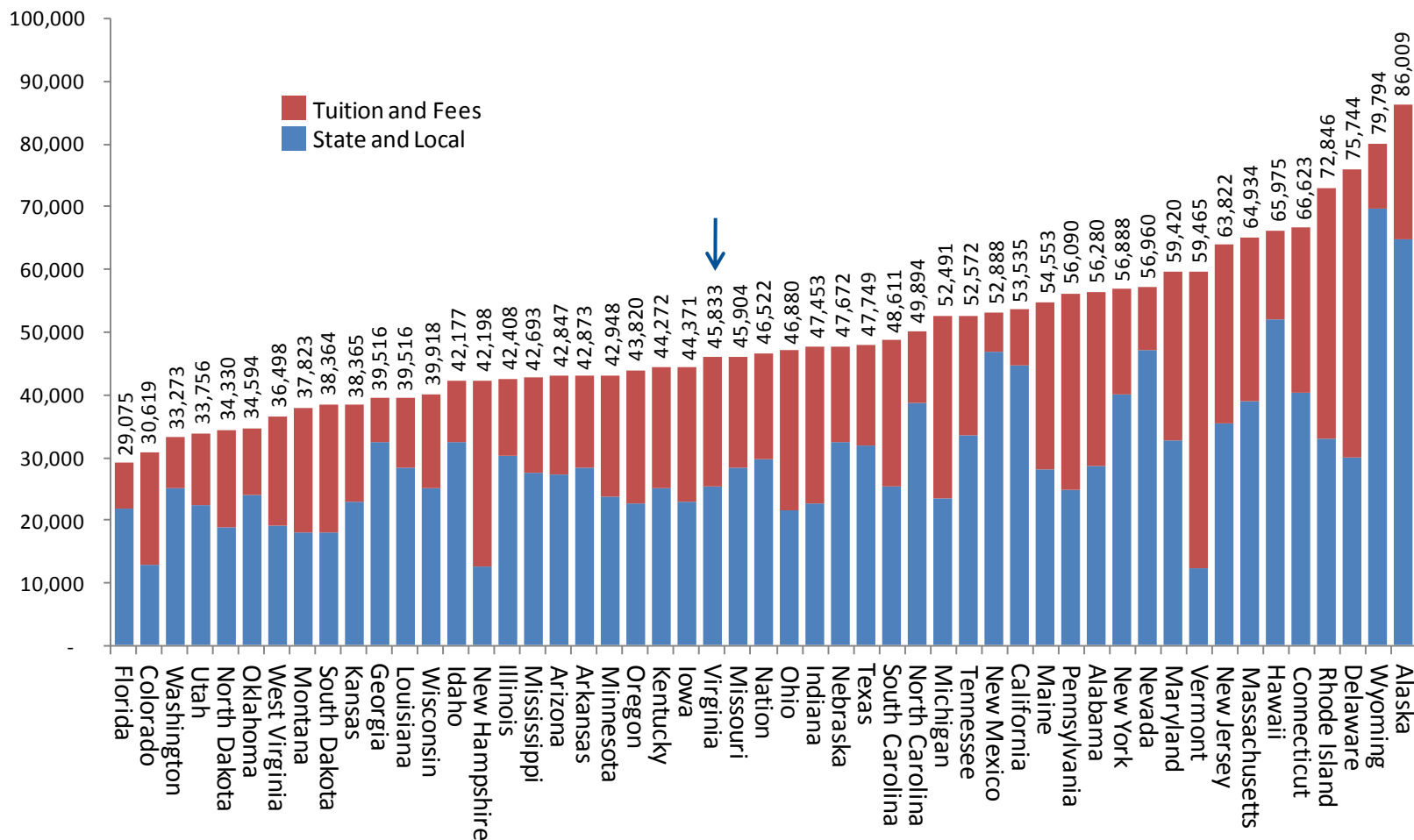
Net Tuition Revenue per FTE and State-Funded Tuition Aid per FTE, FY2007 (Public Institutions only)



PRODUCTIVITY AS AN ISSUE

Productivity: Total Funding per Degree/Certificate

(Weighted*, 2006-2007)

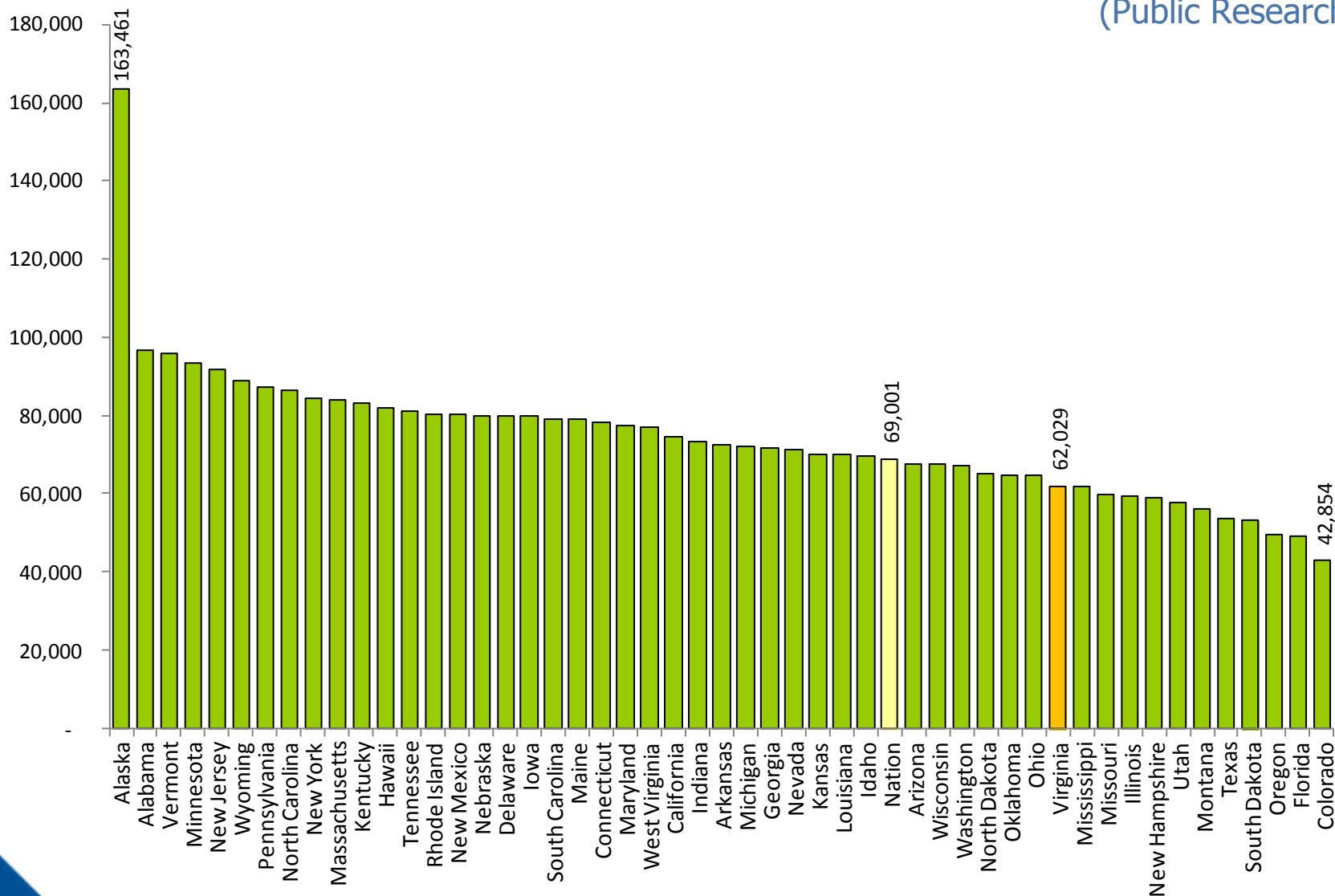


Sources: SHEEO State Higher Education Finance Survey 2008; NCES, IPEDS Completions Survey; U.S. Census Bureau, American Community Survey (Public Use Microdata Samples)

*Adjusted for value of degrees in the state employment market (median earnings by degree type and level)

Funding per Degree - Total Funding (State & Local, Tuition & Fee Revenues) per Credential/Degree Awarded

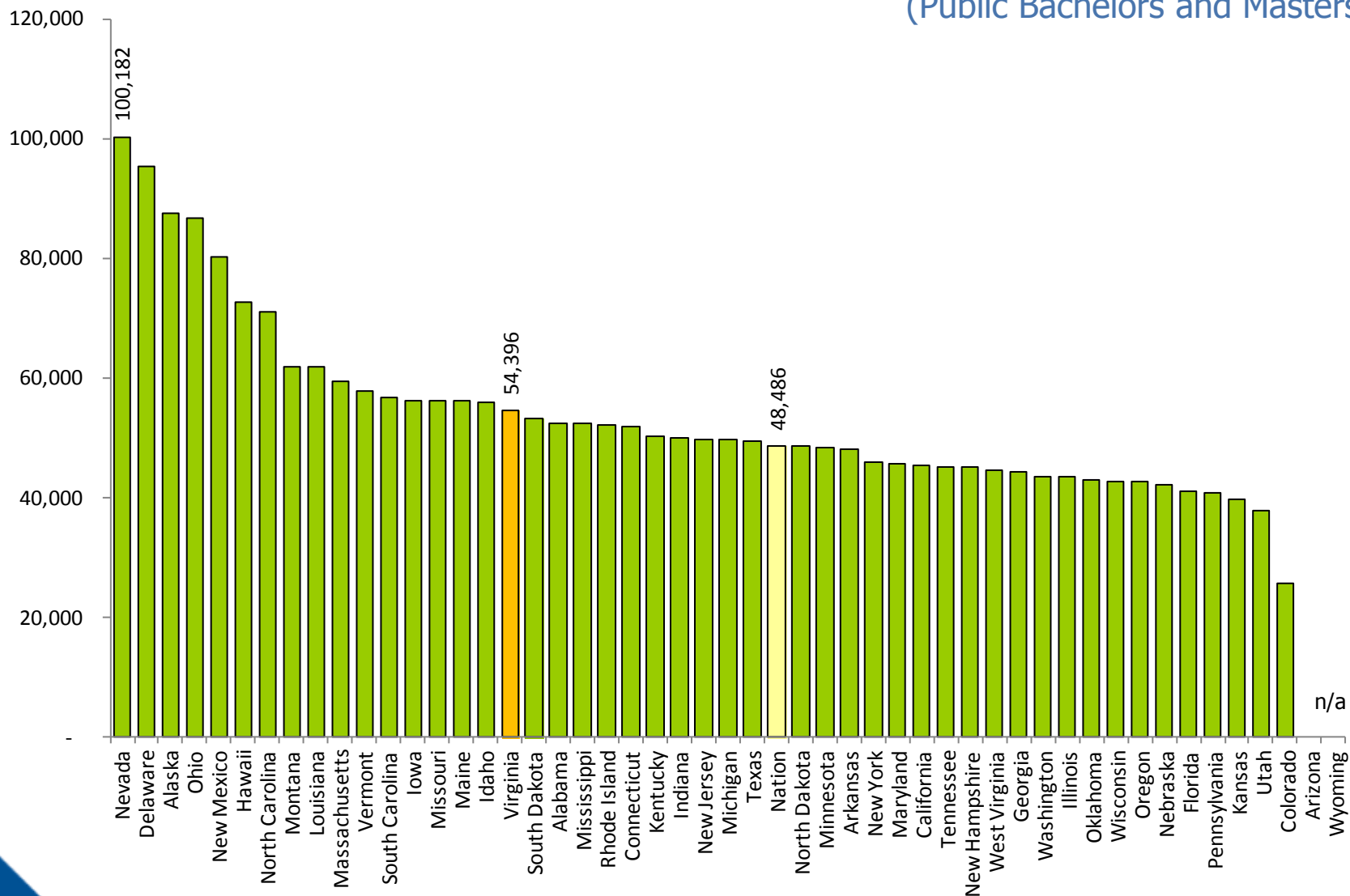
(Public Research)



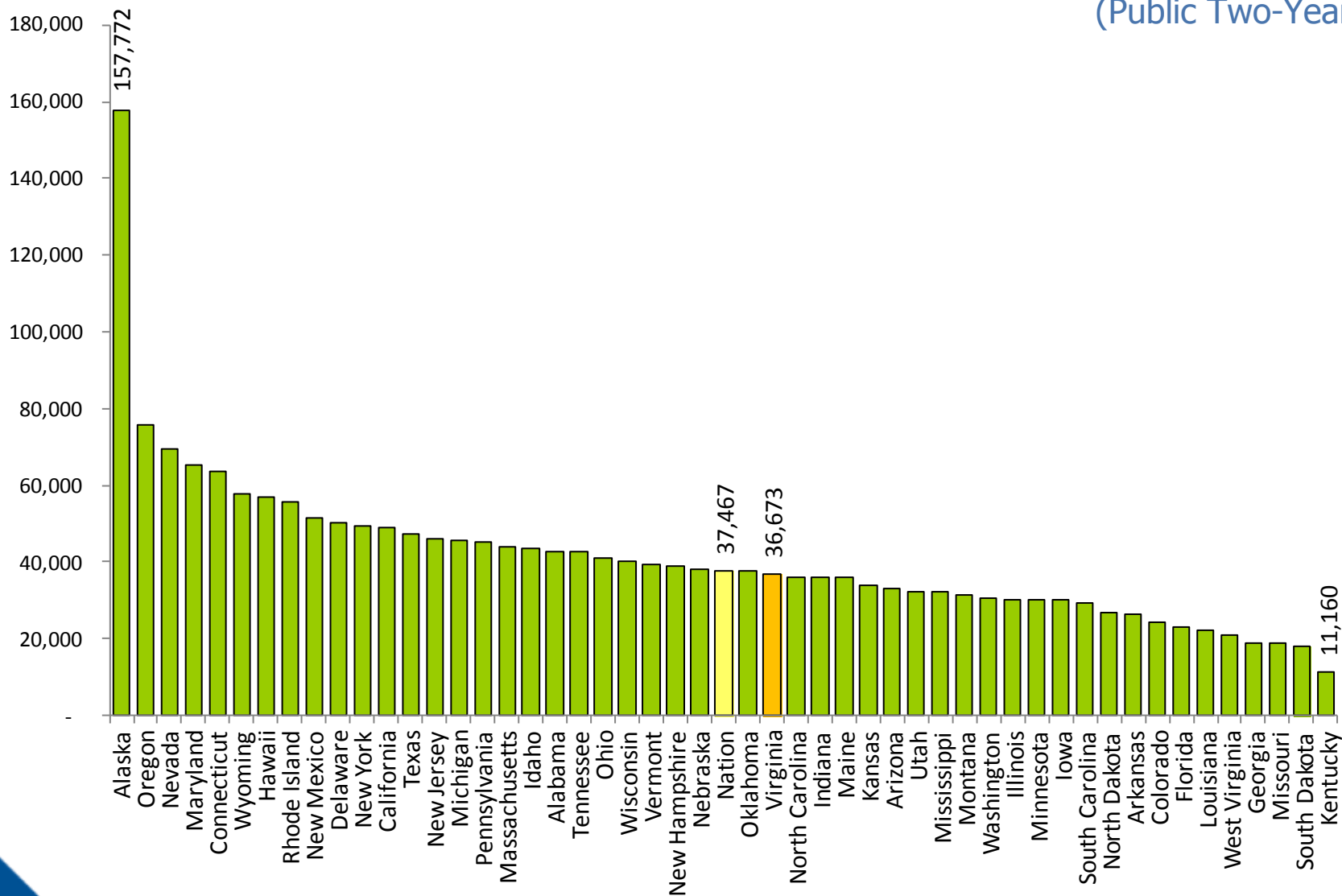
Source: NCES, IPEDS Completions and Finance Surveys (2007-08)

Funding per Degree - Total Funding (State & Local, Tuition & Fee Revenues) per Credential/Degree Awarded

(Public Bachelors and Masters)

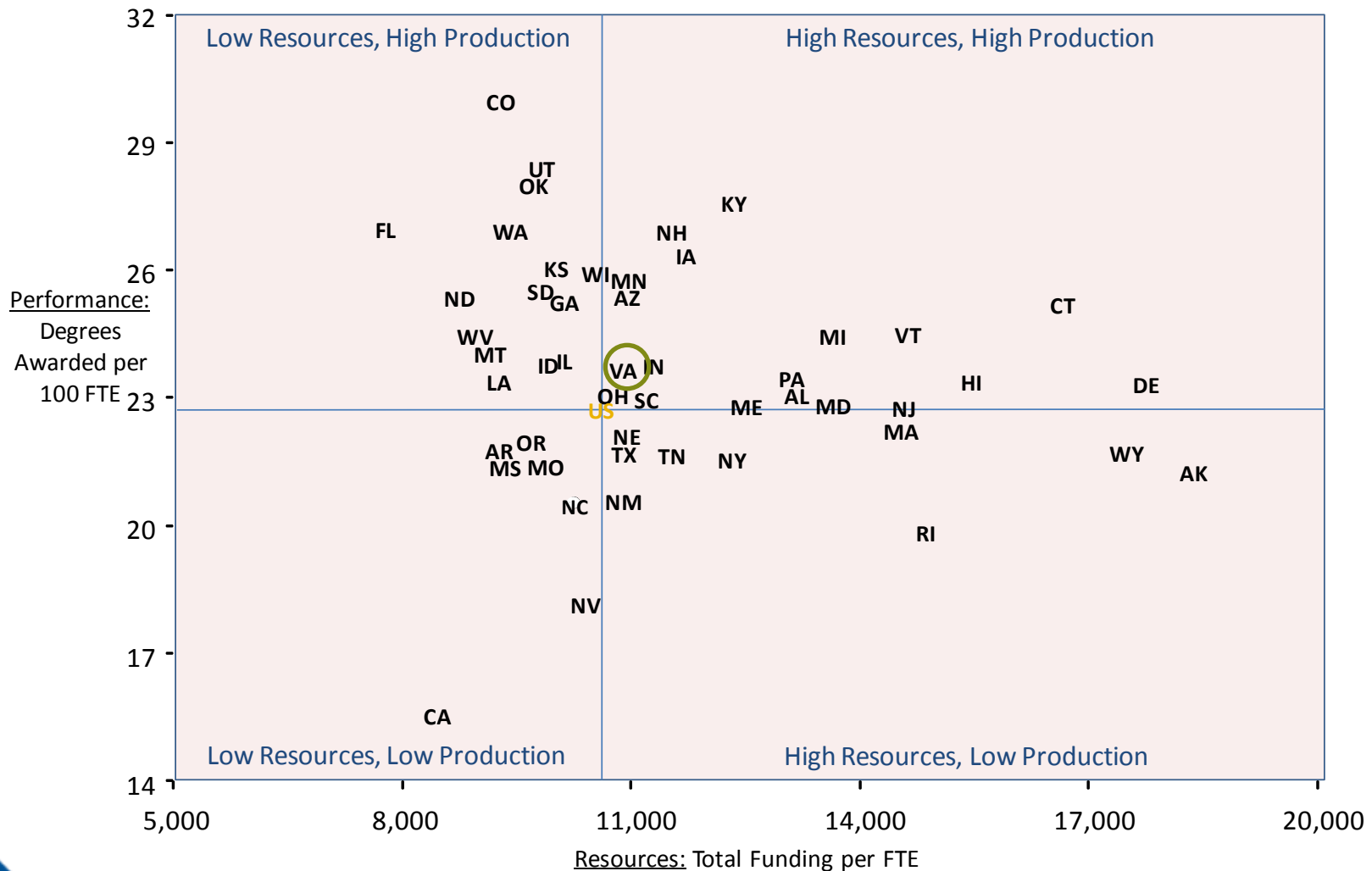


Funding per Degree - Total Funding (State & Local, Tuition & Fee Revenues) per Credential/Degree Awarded (Public Two-Year)

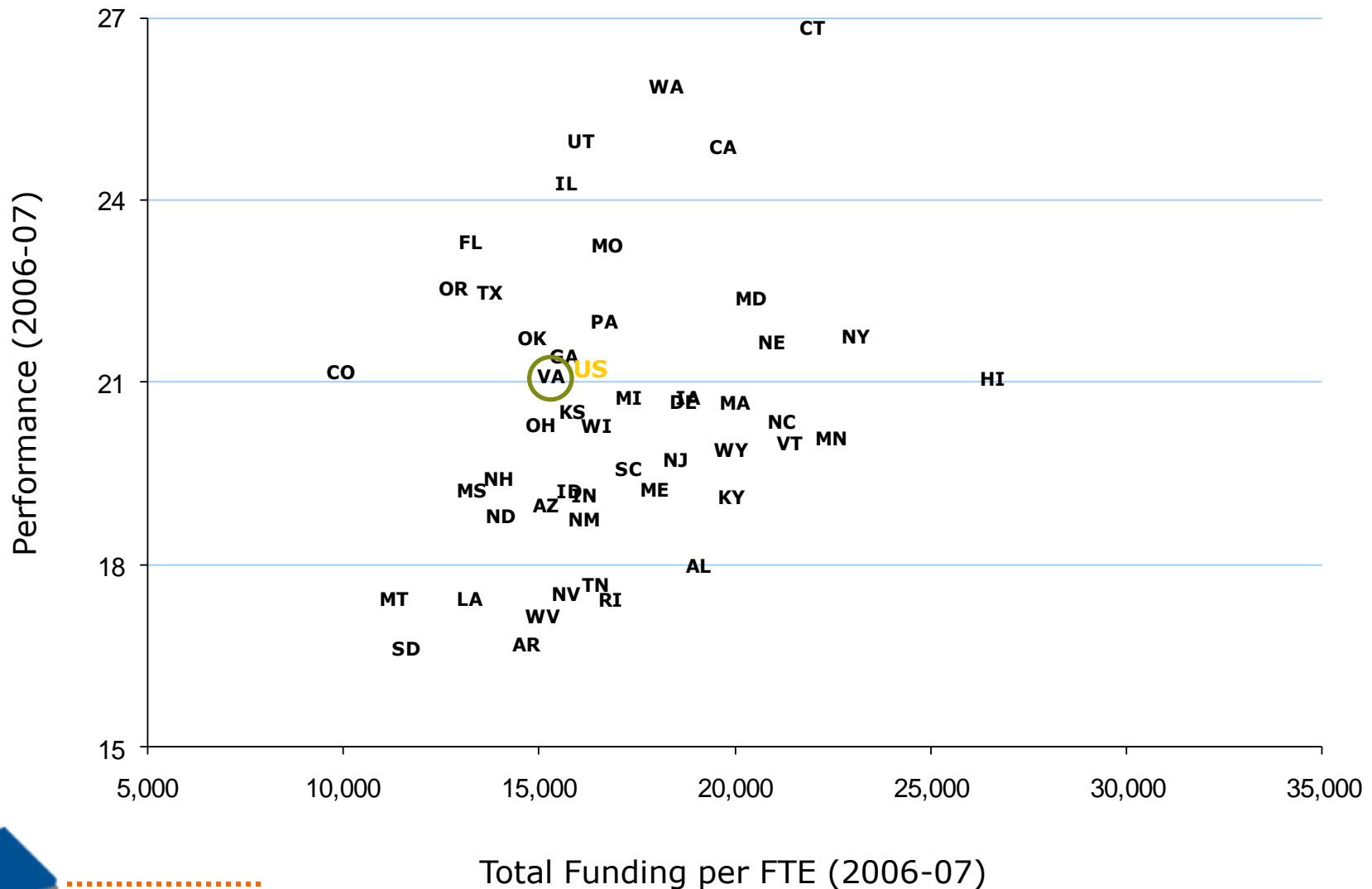


Source: NCES, IPEDS Completions and Finance Surveys (2007-08)

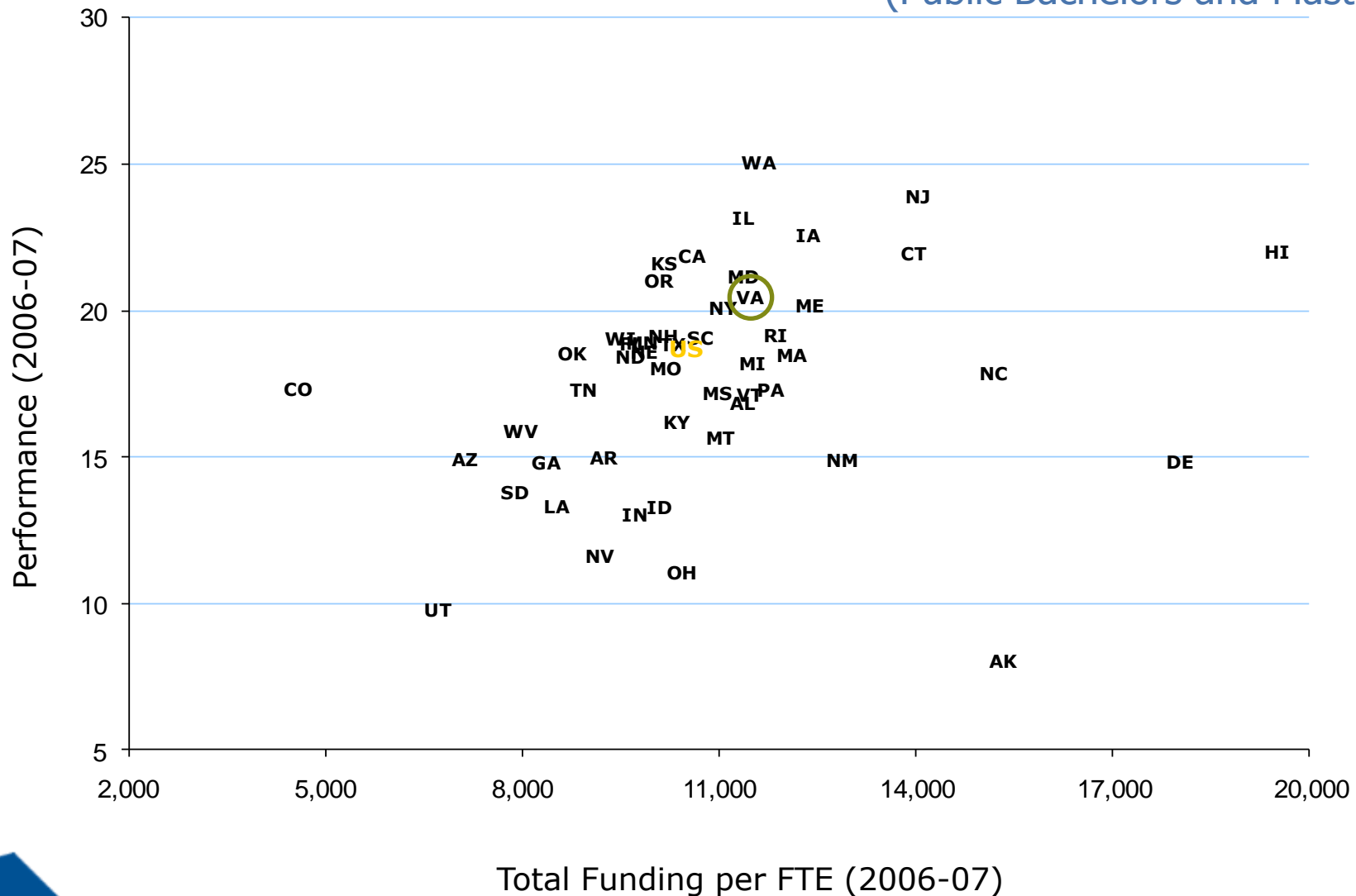
Degrees & Certificates Awarded per FTE vs. Total Funding per FTE (2006-2007)



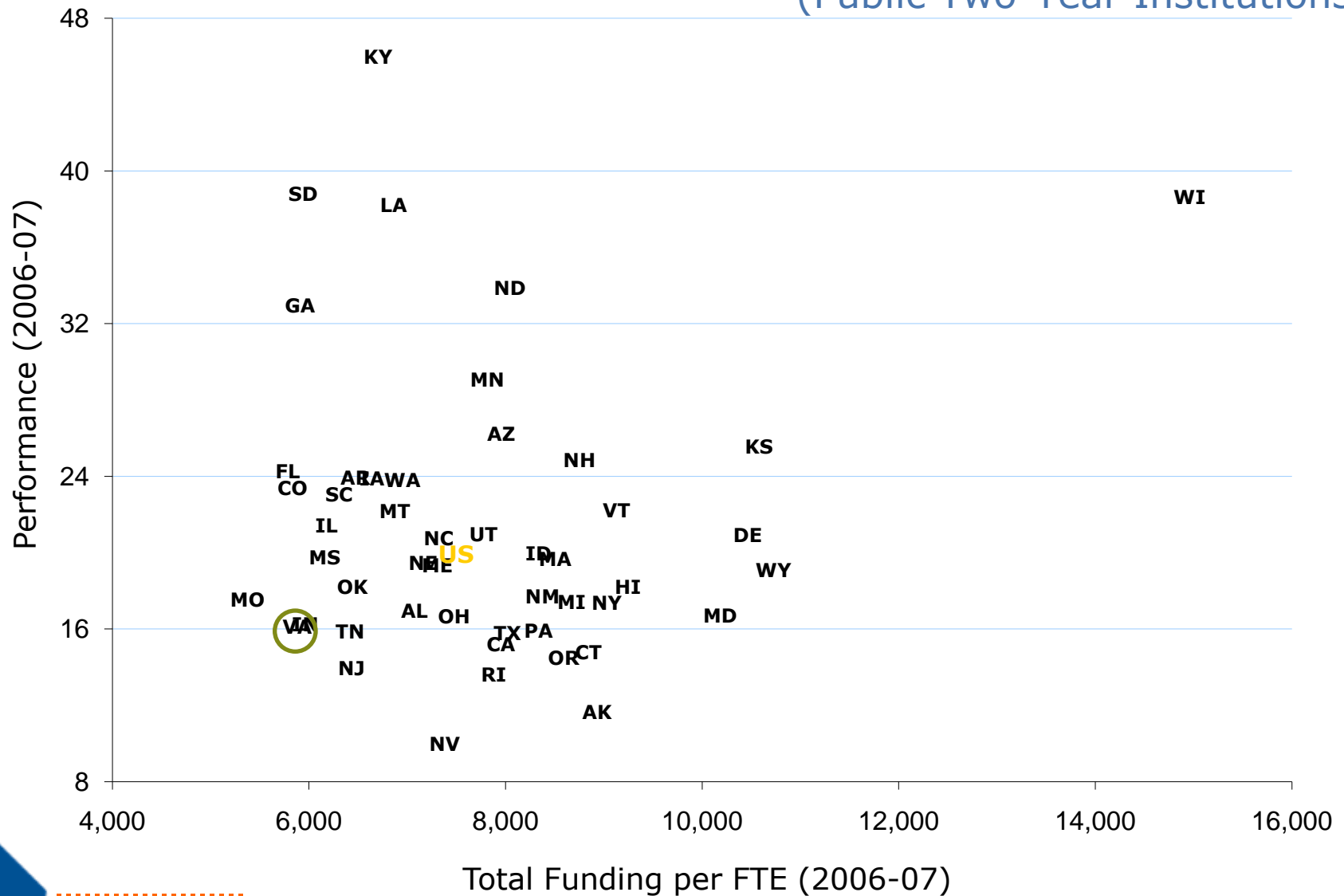
Performance Relative to Funding: Bachelors Degrees Awarded per 100 FTE Undergraduates (Public Research Institutions)



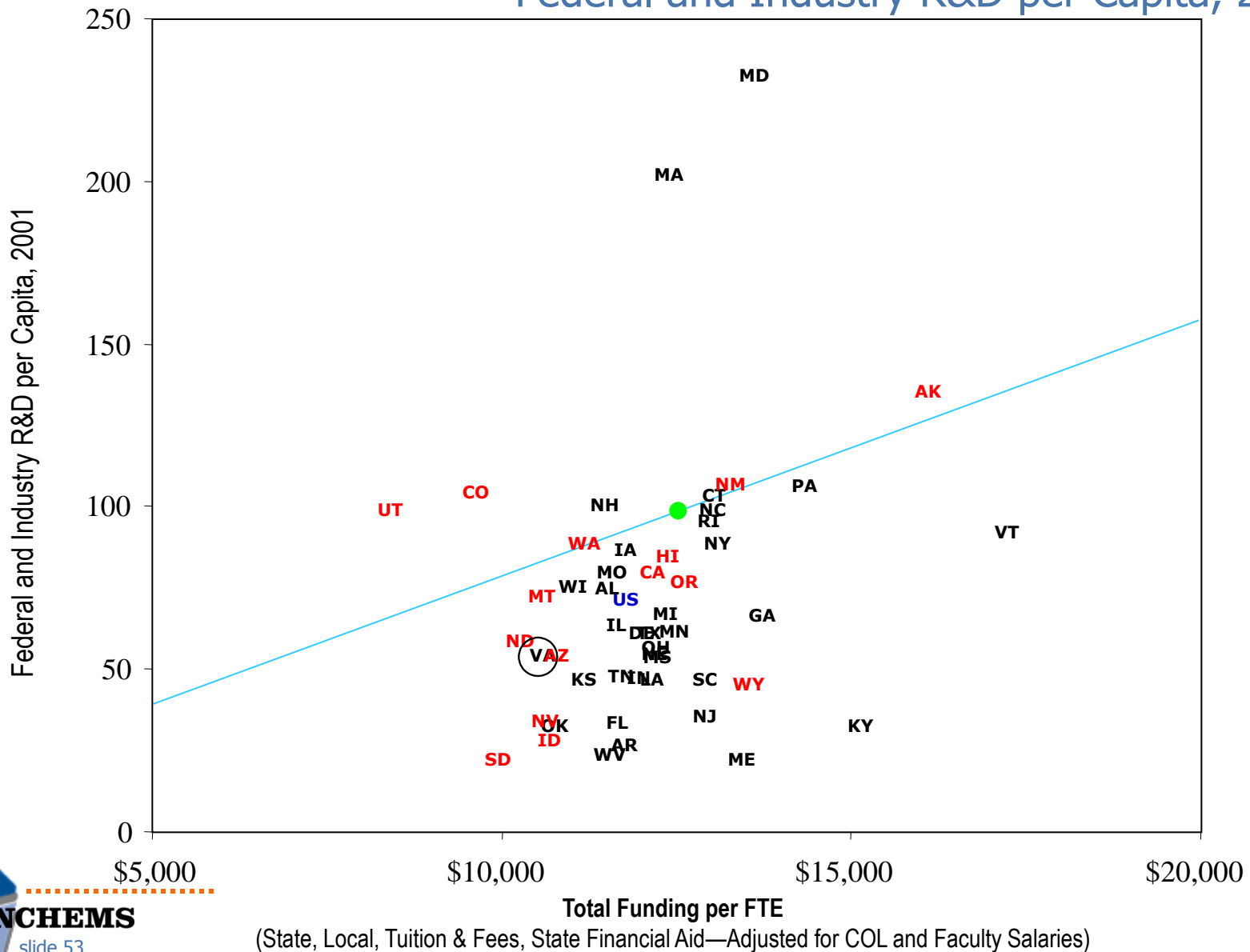
Performance Relative to Funding: Bachelors Degrees Awarded per 100 FTE Undergraduates (Public Bachelors and Masters)



Performance Relative to Funding: All Credentials Awarded per 100 FTE Undergraduates (Public Two-Year Institutions)



Performance Relative to Total Funding per FTE State Higher Education Systems Federal and Industry R&D per Capita, 2001



Options to Improve Accessibility, Success, and Cost Effectiveness

TARGETS OF OPPORTUNITY

Targets of Opportunity

- Enhance degree and high-value certificate production in the VCCS
 - Improve curricular alignment with K-12
 - Develop a system-wide approach to developmental education
 - Develop accelerated certificate programs for returning adults
- Focus on access and success of minority males
- Develop specially targeted completion programs for adults who have attended college but not received a degree or certificate
- Enhance research competitiveness in one or two key areas

Necessary Infrastructure Improvements

- Statewide student unit record tracking system linking
 - K-12
 - Postsecondary education
 - Workforce
- Strategic financing plan for higher education
- Add productivity measures to the accountability metrics used in the state